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BUSINESS WEEK

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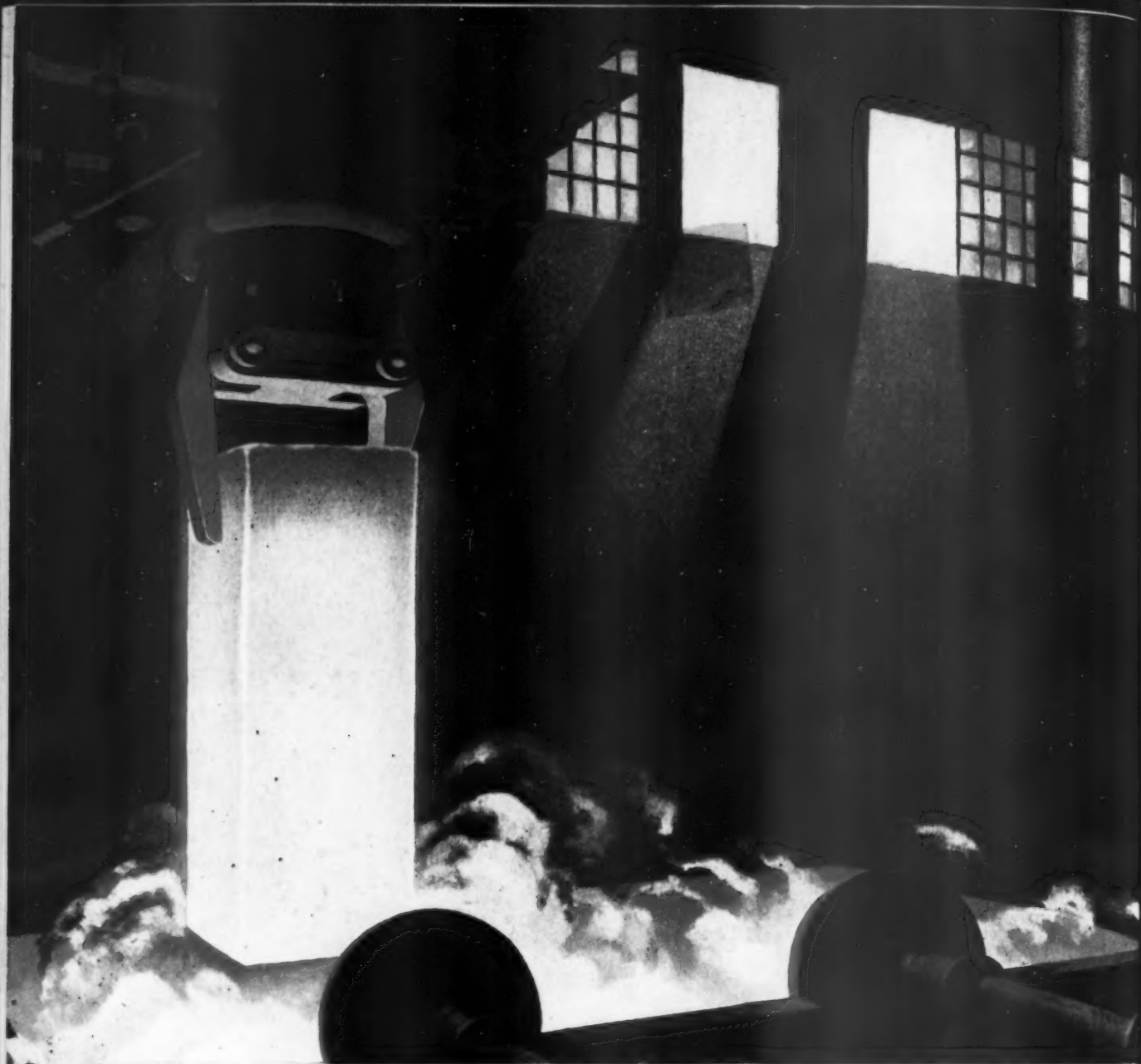
Center of the farm price ruckus: beef on the hoof, but not on the counter.

LESS

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PUTTING MUSCLE IN STEEL

STEEL—the strong man of America—is not by nature a Samson. Muscle must be developed by adding ferro-alloys which remove strength-stealing impurities and give extra qualities before the steel is tough enough to play its part in today's fast-moving world.

One of the most important of these alloys is ferromanganese. Used as a scavenger in nearly all grades of steel, it removes oxygen and minimizes the harmful effects of sulphur. With the addition of manganese, hot steel can be rolled without cracking.

Cleansing is not the only role that manganese plays in the giants' game of steelmaking. In alloying amounts, manganese refines the structure of steel, thus giving it extra strength and ductility. As increasing amounts of manganese are added, exceptional properties are obtained. For instance, a steel containing 13 per cent manganese withstands the tough torture of jagged rock on steam shovel jaws.

We do not make steel of any kind. But we have for over thirty-five years carried on intensive and continuous research and development with ferro-alloys and alloying metals used in steelmaking.

These include manganese, chromium, silicon, vanadium, tungsten, zirconium, columbium, and calcium.

Low-carbon ferromanganese, medium-carbon ferromanganese, and silico-manganese—three manganese alloys which owe their present wide use to our efforts—have greatly speeded and simplified the production of many grades of steel, including stainless steel. You are invited to tap our reservoir of information about ferro-alloys and their use in making the quality steels of today.

The progress made by Electro Metallurgical Company in the manufacture and use of ferro-alloys and in the development of alloy steels has been greatly facilitated by metallurgical research in the laboratories of Electro Metallurgical Company and Union Carbide Company; by the advances in electrical furnace electrodes and techniques of National Carbon Company, Inc.; and by the broad experience in the production, fabrication, and treatment of metals of Haynes Stellite Company and The Linde Air Products Company. All of these companies are Units of Union Carbide and Carbon Corporation.

ELECTRO METALLURGICAL COMPANY
Unit of Union Carbide and Carbon Corporation

30 EAST 42ND STREET 

NEW YORK, N. Y.



If you can't fight—BUY BONDS



Buy Bonds for Ships, Planes, Tanks, Guns —Bonds for Victory!

Even though you cannot leave your desk, your store or your workshop, you can help fight this war . . . by buying War Bonds. Not just now and then, out of pin-money. Buy Bonds regularly, every pay day. Do your level best to meet the Treasury's 10%-of-income goal. Refigure your budget . . . spend *less* to buy *more* Bonds. Fight as hard with your dollars as American boys are fighting with their lives.

BANKERS TRUST COMPANY

NEW YORK





They call it "Walkie-Talkie"

ONE of the newest radio developments in the U. S. Army Signal Corps is a compact, portable sending and receiving set. They call it the "Walkie-Talkie" radio.

America's armed forces now have the finest equipment in the world. As these forces grow larger day by day, the task of keeping them equipped challenges the productive capacities of many factories. And the "heart" of these factories is the power-plant.

The job for which Hartford Steam Boiler was designed — and at which

it has had seventy-six years' experience — is the safeguarding of power equipment against destructive and disastrous accidents.

To this work the Company's special facilities are applied through a country-wide engineering and inspecting force.

That this particular undertaking is one which now permits of a vital contribution in the war emergency is a matter of deep satisfaction to every member of the Company's staff.



Covers: Boilers • Pressure Vessels • Steam, Gas and Diesel Engines • Turbines • Electrical Equipment

**THE HARTFORD STEAM BOILER INSPECTION
AND INSURANCE COMPANY • Hartford, Connecticut**

BUSINESS WEEK and The ANNALIST

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Business Week • August 29, 1942

WASHINGTON BULLETIN

WHAT THE WASHINGTON NEWS MEANS TO MANAGEMENT

Economic Warfare Intensified

Brazil's entry into the war, besides its military significance (page 32), will swing tremendous influence in lining up other South and Central American countries behind a stepped-up campaign of economic warfare.

Brazil's own participation in this program has long been whole-hearted. The country's raw material resources have been made available freely. Now it can throw off the yoke of Axis control over financial resources. Washington is elated that this leak has been stopped.

But, above all that, Brazil's entry into the war will serve to isolate Argentina in the Latin American world.

BEW Reorganizes for Action

Washington is ready—or almost ready—to take full advantage of Brazil's joining the United Nations. Commotion over WPB's management of the war production program has overshadowed the revamping of the Board of Economic Warfare. In the wind for some weeks, the realignment which tightens up BEW's operations should fully materialize in the next few weeks.

It points to an expanded program of: (1) developing Latin-American resources of strategic materials to increase the stream of exports to the U. S.; (2) providing financial support for the economy of Latin-American countries whose market in the U. S. for their normal commodities is curtailed by ship shortage or for other reasons; (3) buying up critical materials in Latin America to prevent the Axis from getting them; (4) controlling our exports to Latin-American countries on the basis of actual requirements. (Separating what the good neighbors really need from what they'd merely like to get is one of BEW's big headaches.)

Guatemalan in a Key Spot

A highspot of the shakeup in the Board of Economic Warfare's organization is appointment of Hector Lazo as assistant director in charge of the office of exports, replacing Col. Royal B. Lord. Lazo is a native of Guatemala. Thus a Latin American is taking hold of a job requiring a real feeling for Latin-American temperament, economics, and politics.

One of BEW's handicaps has been the limitations of its personnel. Thirty or more Army officers are on BEW's staff. Inevitably, BEW's administration has followed Army lines in dealing with economic and diplomatic situations to

which Army lines haven't always been appropriate.

Typical non-Army comment is that of a Washington official this week: "The military may do a swell job of raiding Dieppe but not such a swell job of handling the delicate feelings of South America."

Perkins Stages Quick Change

Army's recall of officers on detached duty has eased the reorganization job of Milo Perkins, BEW's executive director, but replacement of Col. Lord in the Office of Exports has a more immediate explanation. It seems Perkins heard that Donald Nelson wanted Lord to head a new Office of Technical Development in WPB. Inside of 24 hours Lord was out, Lazo was in.

Lord is a cargo plane enthusiast and recently has spent much of his time plugging Henry Kaiser's scheme. A brilliant engineer, Lord has several inventions behind him, and his official position hasn't interfered with his turning an honest dollar on the side.

Perkins, former head of the Agricultural Marketing Administration, got Lord into BEW last fall. Lord had helped to clean up the mess that Rex Tugwell had left behind him in the Resettlement Administration.

Lazo also is an old friend of Perkins. As head of the Cooperative Food Distributors of America, Lazo worked with Perkins in launching the food stamp plan.

New Anti-Inflation Drive

Suddenly concerned that inflationary forces may get out of hand in 30 days, the President will act on his own war powers, won't ask Congress for changes in the Price Control Act.

F. D. R.'s Labor Day speech will introduce his new Economic Stabilization Authority (page 20) with considerable fanfare, but as it works out in practice it's still the best bet (BW—Aug. 1'42, p5) that the anti-inflation program will consist of something close to the NWLB "15%" formula on wages plus application of price ceilings to farm commodities as soon as they reach the 110% of parity specified in the price law.

Where Wickard Comes In

The important thing about Secretary Wickard's declaration in favor of repealing the 110%-of-parity provision is that it means he will go along with present OPA efforts to fix prices on farm com-

modities. Henderson needs approval from Wickard even to set ceilings above 110. Until now, Wickard has made it clear that he would not approve any ceilings on farm commodities.

The meat situation is a good example of what's happening. When the meat shortage hit the headlines (BW—Aug. 22'42, p24), Henderson asked Wickard what stand he would take on livestock ceilings. Wickard immediately went to work in an effort to head them off. He declared they were impractical; they would have to be accompanied by livestock allocations; they wouldn't help the supply picture.

Then, after opposing livestock ceilings with everything in his bag for one week, he came out for any practical plan.

Advertising Tax Allowances

Advertisers, represented by the Association of National Advertisers, have at last achieved a meeting of minds with the Collector of Internal Revenue on the much-disputed question of what advertising expenditures can be deducted in making income tax returns. It takes shape in the statement of a general policy rather than a set of specific rules, because inevitably Internal Revenue will have to handle each case on a separate basis.

Prime test of deductibility is whether expenditures are "ordinary and necessary and bear a reasonable relation to the business activities in which the enterprise is engaged." Past performance is the yardstick against which the reasonableness of expenditures will be measured. This policy, according to specific statement, is "not intended to exclude institutional advertising in reasonable amounts or good will advertising calculated to influence buying habits of the public," but ads must be directed to "public patronage which might reasonably be expected in the future."

• **Things to Watch**—Factors which advertisers suggested that Internal Revenue bear in mind in applying this policy include the following: increased rates, increased printing costs, reduction in sales forces and consequently increased need for advertising, expenditures made to speed production and boost salvage campaigns, need for supporting new products, expanded lines, and changes in old products and buying habits.

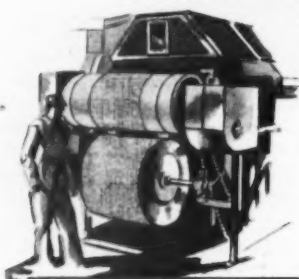
Advertisers Reassured

Price Administrator Henderson is no longer the bad boy of advertising. He has promised that normal advertising ex-



A Canvas Bridge

FROM NEW YORK TO TOKIO
... every 30 days



Sole Selling Agent
(under "Flametail"
as registered trade-mark)
WILLIAM L. BARRELL CO., Inc.
40 Worth Street, New York City

PHIL-PRO-TEX
contains no rubber
PHIL-PRO-TEX
is a phenol plastic compound

FOR VICTORY



BUY
UNITED
STATES
SAVINGS
BONDS
AND STAMPS

This is the remarkable achievement of the group of canvas finishers licensed to use the new and exclusive way to assure long life to canvas . . . the Phil-Pro-Tex way.

This canvas bridge is **WATER-REPELLENT**
FLAME-RETARDANT
and **ROT-RESISTANT**

These are vital factors in Canvas used in the Victory Effort . . . our entire present-day facilities are fully engaged . . . peace will come . . . and then we will need your patronage . . . and you will need this new method of Canvas Life Extension.

For further details write or wire Philadelphia Textile Finishers, Inc., 3701 N. Broad St., Philadelphia, Pa.; or William L. Barrell Co., Selling Agent, 40 Worth Street, New York, N.Y.



WASHINGTON BULLETIN (Continued)

penditures will be considered as legitimate costs in all OPA activity dealing with price squeeze adjustments.

It has always been a question whether the General Maximum Price Regulation would be used to curtail advertising by forcing sellers to cut advertising costs as a means of absorbing price squeezes. Henderson offered his defense of normal advertising expenditures when Chairman Fulmer of the House Agriculture Committee charged OPA with rolling back fat, grease, and tallow prices on the farmer just to protect large soap advertising expenditures.

Henderson replied: "Normal advertising outlays were considered as costs in this investigation. Any other policy with respect to advertising might well result in the destruction of the entire advertising industry, an end that is beyond either the authority or inclination of this office."

• **The Exceptions**—"May I point out, however," Henderson continued, "that extraordinary outlays for promotional campaigns, such as the recent campaign advertising Swan soap, were not considered as costs in our margin investigation."

WPB Hands Labor a Jolt

C.I.O. and A.F.L. officials overreached themselves this week when they presented to Donald Nelson their demand for increased labor participation in policy setting. Not only did they anger Nelson with a bitter statement (which, curiously, the left-wingers tried in vain to tone down), but they asked for a reversal of the whole WPB organizational theory when they demanded that representatives of labor as labor be put into the board. This, Nelson turned down flatly.

It's generally believed they'd have got farther with a proposal that WPB hire more of its officials from the ranks of labor, but the unions have rejected this approach, convinced that when a labor leader gets a government job he stops being a labor leader.

Some sort of paper concession to labor will doubtless come out of the present agitation, but unless Murray and Green make a try at using Roosevelt as a lever on Nelson, the concessions won't be much more than paper.

Uniform Wages in Steel

Maintaining "the same wage relationship which has existed in the steel industry since 1921" is more important to the National War Labor Board than the sanctity of a contract. The board so ruled when it gave employees of U. S. Steel a 5½¢-an-hour wage increase, retro-

KEEP IT QUIET, BOYS!

The President has ordered his official family to do its quarreling where the press can't overhear. Consequently, Leon Henderson will have to tone down to a loud whisper in forthcoming fights



... with Ickes over gas rationing



... with NWLB's Davis over wages



... with Wickard over farm prices.

active to Feb. 15, virtually the same things awarded Little Steel.

The board, by an eight to four vote, swept aside the argument that an agreement providing a minimum wage of 72½¢ an hour was in full force and effect up to Aug. 9. The majority upheld C.I.O.'s position that it would be unfair to give Big Steel an advantage by not making the wage rise industry-wide and uniform. The C.I.O. also gets a maintenance-of-membership contract which provides for a checkoff of union dues.

A total of 406,000 workers in the steel industry have received the 5½¢-an-hour

pay boost since the Little Steel decision last month.

A.F.L. and C.I.O. Delay on Peace

Labor peace this year is most unlikely. Negotiations won't even start until late September and must be recessed soon after they begin so that the peace committee members can attend the conventions of the American Federation of Labor and the Congress of Industrial Organizations.

The late beginning in negotiations was arranged jointly by A.F.L. and C.I.O. because committee members were busy with other—though probably less important—business.

What If a Union Splits?

If a union with which an employer has a contract splits, midway in the contract, into two hostile groups, how does the employer find out which one to deal with? The National Labor Relations Board, within a few weeks, will decide whether it has jurisdiction in such cases.

Present issue arises out of the Lewis-C.I.O. feud. A few months ago, Lewis absorbed the Construction Workers Organizing Committee into District 50 of the mine workers. C.I.O. refused to recognize the absorption, declared C.W.O.C. dissolved, and started organizing the former members into local industrial unions.

In about a dozen cases, the local unions have appealed to NLRB for an election. Farthest along is a case involving the Harbison-Walker Refractories Co. of Chester, Pa.

A Postwar Tax Rebate?

Latest Treasury proposals for corporate taxation shuffle the rates but don't make much of a change in the final load. Treasury wants a 55% normal-and-surtax rate instead of the 45% proposed by the House. After the war, corporations would get a rebate equal to 12% of the taxes they had paid. In the meantime, companies with heavy fixed obligations could deduct 20% of their debt repayments from taxable income and charge taxes on that 20% to the postwar refund.

Boosting normal and surtax rates would increase the immediate tax load on 1942 incomes by about \$1,000,000,000 but postwar rebates would come to about \$1,300,000,000. In the end, corporations would pay about \$300,000,000 less than they would under the House bill.

• **Anticipatory Reserves**—The Treasury has also suggested a plan which would

*"How'd we get
credit data
so quickly on
that upstate
New York
company?"*



**"I just called our
bank—the Marine
Midland. They did
the rest."**

MARINE MIDLAND BANKS SERVE 39 COMMUNITIES
IN NEW YORK STATE

**MARINE MIDLAND
TRUST COMPANY**
of New York
120 BROADWAY
It's the Gateway to New York State.
Housing, Business, Marine.

Member Federal Deposit Insurance Corporation

WASHINGTON BULLETIN (Continued)

permit corporations to defer taxes on reserves for contingencies or postwar readjustment.

Rationing Speedup

WPB is setting the stage for more rationing. Joseph L. Weiner, deputy director of the Office of Civilian Supply, is scouting around for a rationing coordinator to set up a bigger, broader program, also to act as umpire over the manifold viewpoints besetting this touchy problem.

As things stand now, the Office of Civilian Supply determines what is to be rationed. OPA then puts the plan into effect. But to date, OPA and WPB statisticians have often worked with widely divergent figures, and to top off this confusion, manufacturers have been sour on the rationing idea.

• **Job to Be Done**—WPB's new coordinator, when named, will be told to put a stop to this whipsawing and, incidentally, to plant the rationing program more firmly in WPB. Articles now viewed as best bets for rationing: occupational rubber footwear and coffee.

More on Fuel Oil Rationing

When Nelson, Patterson, Henderson, and Ickes sit down in the next few days to decide whether to ration fuel oil in the East, they will find that it can't be avoided except with unbelievable good luck.

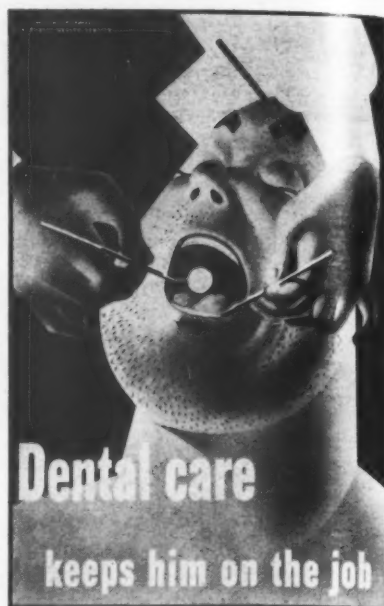
Supplies this winter will run 10% to 40% below demand, depending on the weather and other unpredictables. War industries, hospitals, utilities will have to get enough, so office buildings and homes must take a deeper cut.

An equitable home ration system is admittedly impossible, but OPA has worked out a tentative coupon plan in cooperation with oil suppliers and heating engineers. It involves complicated formulas of cubic space, family, and degree-days of weather. Such a plan probably will be adopted before householders are allowed to fill their storage tanks with oil.

• **What About Conversion?**—Whether to deny oil to householders whose furnaces could be converted to coal has not been decided. This was proposed last spring but was shelved in favor of an unsuccessful voluntary campaign. To impose it now would bring a rush for grates and installation men which might be too big to handle.

Capital Gains (and Losses)

Expect a call, if you haven't got it already, to turn in for government use 25% of all your typewriters made since



DIGIT TO SPARE

"No six-fingered, left-handed dentist for me," observed a war worker after a prolonged study of this poster (distributed recently by U.S. Public Health Service to munitions plants), but USPHS insists that what appears to be a sixth digit is actually a fold of the victim's cheek, pinched between the dentist's first and second fingers.

January, 1935. OPA this week banned rental of new and late model machines. The voluntary turn-in program launched July 1 has flopped. (Gypsy Rose Lee, always ready to give anything she has for her countrymen, turned in her typewriter, but few others did.)

WPB's recent order generally limiting Army and Navy use of aluminum to "implements of war" (page 24) merely codifies restrictions already applied in allocation of the material.

Tiny radio transmitters like those used by college "gaspipe" stations are being tried at several Army camps for news, lectures, frolic. Range is about 200 or 300 yards. Nearby broadcast stations are not affected.

Absenteeism in mines is now running about 12%, as compared with 5% in war industry generally. Doing something about this will be one of the jobs of Wilbur Nelson, former chief of WPB's mining branch, in his new post as special assistant to Deputy Director of Operations A. I. Henderson.

—Business Week's
Washington Bureau

FIGURES OF THE WEEK

THE INDEX (see chart below) *185.4 †184.8 185.0 172.6 159.7

PRODUCTION

Steel Ingot Operations (% of capacity).....	97.3	97.2	96.3	96.3	96.5
Production of Automobiles and Trucks.....	20,200	19,215	18,260	25,645	45,525
Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands)....	\$33,878	\$35,628	\$40,988	\$27,601	\$22,065
Electric Power Output (million kilowatt-hours).....	3,674	3,655	3,626	3,424	3,231
Crude Oil (daily average, 1,000 bbls.).....	3,972	3,893	3,691	4,077	3,975
Bituminous Coal (daily average, 1,000 tons).....	1,858	†1,823	1,850	1,817	1,831

TRADE

Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars).....	81	79	79	84	87
All Other Carloadings (daily average, 1,000 cars).....	64	62	64	47	61
Money in Circulation (Wednesday series, millions).....	\$12,956	\$12,870	\$12,546	\$11,339	\$9,840
Department Store Sales (change from same week of preceding year).....	None	-5%	+5%	+19%	+40%
Business Failures (Dun & Bradstreet, number).....	147	174	190	239	227

PRICES (Average for the week)

Spot Commodity Index (Moody's, Dec. 31, 1931 = 100).....	230.9	230.9	230.6	228.0	213.0
Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)...	153.2	153.2	154.2	153.4	143.6
Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)...	181.7	183.8	179.9	180.1	155.5
Finished Steel Composite (Steel, ton).....	\$56.73	\$56.73	\$56.73	\$56.73	\$56.73
Scrap Steel Composite (Iron Age, ton).....	\$19.17	\$19.17	\$19.17	\$19.17	\$19.17
Copper (electrolytic, Connecticut Valley, lb.).....	12.000¢	12.000¢	12.000¢	12.000¢	12.000¢
Wheat (No. 2, hard winter, Kansas City, bu.).....	\$1.13	\$1.12	\$1.07	\$1.24	\$1.08
Sugar (raw, delivered New York, lb.).....	3.74¢	3.74¢	3.74¢	3.74¢	3.50¢
Cotton (middling, ten designated markets, lb.).....	18.50¢	18.52¢	18.96¢	19.30¢	16.22¢
Wool Tops (New York, lb.).....	\$1.228	\$1.212	\$1.243	\$1.286	\$1.282
Rubber (ribbed smoked sheets, New York, lb.).....	22.50¢	22.50¢	22.50¢	22.50¢	22.50¢

FINANCE

90 Stocks, Price Index (Standard & Poor's Corp.).....	68.9	68.6	68.3	67.4	81.0
Medium Grade Corporate Bond Yield (30 Baa issues, Moody's).....	4.27%	4.28%	4.29%	4.30%	4.28%
High Grade Corporate Bond Yield (30 Aaa issues, Moody's).....	2.81%	2.81%	2.82%	2.86%	2.75%
U. S. Bond Yield (average of all taxable issues due or callable after twelve years)	2.34%	2.35%	2.34%	2.40%	2.14%
U. S. Treasury 3-to-5 year Note Yield (taxable).....	1.26%	1.25%	1.21%	0.94%	0.61%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average).....	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6-months, N. Y. City (prevailing rate).....	1-1/2%	1-1/2%	1-1/2%	1%	1%

BANKING (Millions of dollars)

Demand Deposits Adjusted, reporting member banks.....	26,718	26,526	26,313	24,961	24,455
Total Loans and Investments, reporting member banks.....	34,517	33,603	33,396	30,532	29,025
Commercial and Agricultural Loans, reporting member banks.....	6,390	6,425	6,430	6,889	6,180
Securities Loans, reporting member banks.....	973	939	1,034	868	881
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks...	20,425	19,509	19,218	15,449	14,593
Other Securities Held, reporting member banks.....	3,458	3,452	3,414	3,714	3,744
Excess Reserves, all member banks (Wednesday series).....	2,100	2,380	2,296	3,460	5,058
Total Federal Reserve Credit Outstanding (Wednesday series).....	3,615	3,512	3,196	2,404	2,272

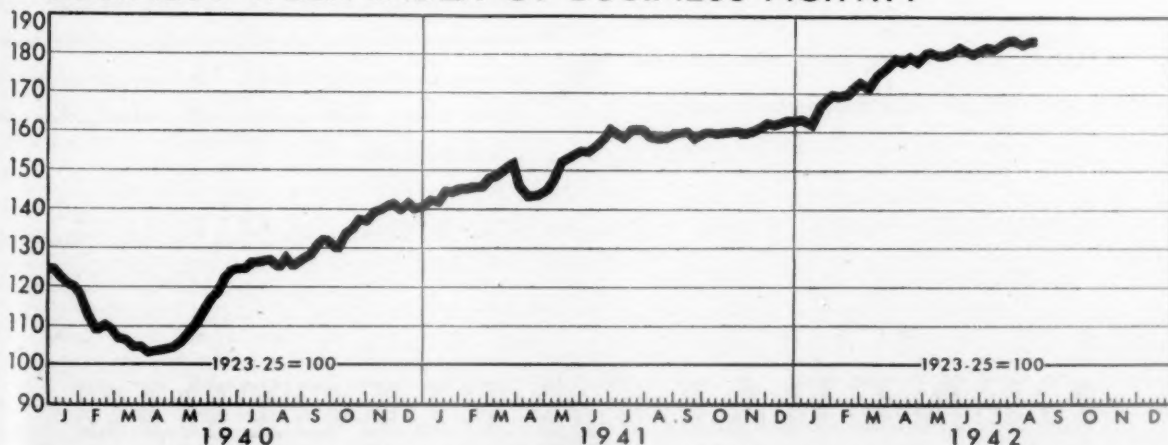
* Preliminary, week ended August 22nd.

† Revised.

‡ Ceiling fixed by government.

§ Date for "Latest Week" on each series on request.

BUSINESS WEEK INDEX OF BUSINESS ACTIVITY





IS MORE THAN ONE ADDRESS

TO MANY manufacturers the logical source for plastics parts is ONE PLASTICS AVENUE. Engineers, designers, and other key men in many industries know that it is the headquarters for a far-flung plastics operation which includes five plants engaged in the manufacture of compression and injection molded, laminated, and fabricated parts to specifications. These plants have every facility for develop-

ment, design, engineering, moldmaking and manufacture.

But ONE PLASTICS AVENUE means more than this, for it is represented by nine well-located sales offices staffed with experienced sales engineers who are ready to give you information, estimates and counsel on your plastics requirements. These services are yours for the asking. Write Section A-9 Pittsfield, Mass., or call at the nearest office.

LYNN, MASS. MERIDEN, CONN. INDIANAPOLIS & FT. WAYNE, IND. NEW YORK
PHILADELPHIA DETROIT CLEVELAND CHICAGO

P L A S T I C S  D E P A R T M E N T
GENERAL ELECTRIC

THE OUTLOOK

Next—A Balancing Job

As the battle of American production vs. Nazi conquest grows more critical, new factors enter problem of controlling materials, facilities, manpower, wages, and living costs.

The Nazi break-through towards Stalingrad this week (page 32) comes as the perfect counterpoint to Donald Nelson's announcement of a 50-point index gain in July war production (Outlook chart). For, still the dominant question in the dynamics of this war is whether the Axis can offset by conquest the accelerating upsurge of American arms.

Now, as the Germans are redoubling their Russian offensive, so are we speeding our big push. Already, under AA-1 and AA-2 priorities (page 14), "indirect" war production is giving way to output of combat equipment; hence, last week, WPB's curtailment of power expansion projects, limitations on aluminum use solely for "implements of war," and tightening of distribution controls, as in steel (page 18). Hence, too, the further step-up in the draft for the Army, already ahead of schedule (page 15).

Widening Problems

All this intensifies problems of allocation. Before long, manpower may present the critical picture of maldistribution that we have seen so recently in materials (BW—Jul.25'42,p13). Of 160 labor-markets areas, 35 currently have shortages of male labor, and 81 more soon may. And prescriptions take long to fill. Even as the WPB hopes that the first real functioning of PRP in the fourth quarter do the job of perfecting production synchronization, analysts forecast the need for further checks on material use by contractors and on scheduling of arms programs by the military (BW—Aug.22'42,p19).

Price Threat

Concomitant with this faster pace of war mobilization, other problems materialize—as in meat, where supply is falling short of Army, lend-lease, and swollen consumer demand, and so threatening the fabric of retail price control. Secretary Wickard's renunciation of the 110%-of-parity farm-price goal is recognition of the broader dilemma.

For, living costs still are rising (page 22). Chief increase—of 2½% in two months—has been in foods, many of which are yet uncontrollable by OPA. In a month or two, Henderson will boost retail food costs another 1½% or so in order to relieve the squeeze on certain food distributors. And there

will be other ceiling punctures, as this week for women's fur-garment retailers and wholesalers. If even the food advances alone continued unabated, living costs would be up 5% to 10% in a year, raising many new wage demands for the National War Labor Board to settle.

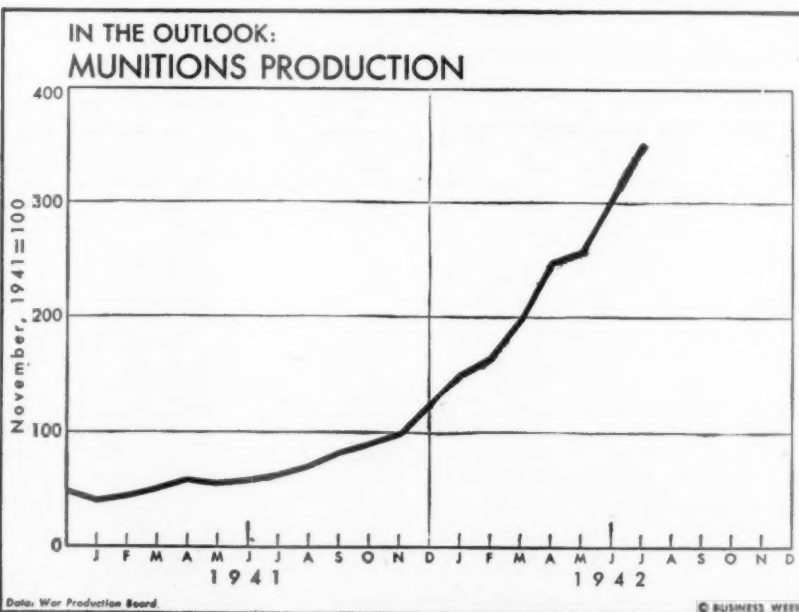
Complex Wage Action

As it is, troubles loom for NWLB's manifold attempts to stabilize rates. The direct threat is in aluminum (page 57). But more, even if NWLB has settled on a living-cost formula for increases, policy on what are "substandard" wages must still be worked out. In several cases so far, the Board has awarded increases to bring women workers up to the levels of men doing the same work. But, last

week, NWLB raised wages of certain cotton textile workers. That was not on a theory advanced by the Board's fact-finding panel that weekly earnings were below a predefined subsistence level. NWLB acted because the wage rates in question were lower than those paid by other companies in the same industry, and also because pay scales in the industry as a whole were under those in other lines in the same geographical areas.

What's "Substandard"?

In this textile case, several criteria for "substandard" are involved. How to resolve them? If textile-industry wages are to be raised, why should not aluminum's 73¢-an-hour scale be lifted to steel's 78¢-an-hour? The NWLB denial to the aluminum workers, of course, represents an attempt to prevent inflationary adjustments in all industry to the better-than-one-dollar-an-hour rates in shipbuilding, autos, engines, rubber, etc. But soon, NWLB probably will have to lift nonferrous metal miners' wages to prevent miners from migrating to better-paid jobs and so cutting down essential



This is WPB's measure of our production of direct war weapons—tanks, planes, guns, ships, and the like—excluding war construction. To get the index, the statisticians multiply output of each arms item by a fixed dollar weight (bombers cost more than trainers), and add up the figures, taking the total as a percentage of November, 1941 (pre-Pearl Harbor), pro-

duction. Last month, at 350 in the index, over-all output 16% above June but 7% behind schedule. Month's biggest gain was in ordnance, up 26%; smallest in merchant ships and combat planes, up 6%. Since the President's known programs for peak output of war weapons would require more than double the current rate, the index ultimately may soar to 1,000.

materials output. In short, NWLB's difficulties in working out consistent "substandard" criteria simply bring to the fore the old problem of funneling the labor supply into the most essential jobs "without either buying it with inflation or precipitating strikes" (BW—Jun. 6 '42, p. 76).

Last week, the new OPA formula (BW—Aug. 8 '42, p. 67) for adjusting consumer goods prices for changes in costs resulting from new production methods, use of substitutes, etc., was applied to food products packed during March in tin, but now in glass or other more expensive containers. This new order will not only relieve many an OPA pricing headache, but it will also encourage the technology of stretching short supplies for civilians which is already working wonders.

Thus, textile technicians are working with new casein and ramie fibers; blending rayon with wool; developing new cotton constructions to use less weaving capacity. Leather experts are trying to improve branding and oiling techniques. And confectioners are getting their sweetening from sweet potatoes and refined corn instead of from cane or beets.

Nelson Speaks Out

War production chief tells critics that need to start fast has made present difficulties. WPB weak points watched.

Belligerent, defensive, Donald Nelson faced a skeptical press last week in the War Production Board's crowded press-conference room.

The conference came at a time when public confidence in the Washington war leadership was at a low ebb. Nearly every reporter in the room had written critical things about Nelson—among others—in the past month. The WPB chief had taken a short breathing-spell away from the Capital, and had come back pounding his fist on his palm and talking of getting tough. The press was waiting to be shown.

• **Emergency Measures First**—One of the most important things that Nelson had to show was that his present difficulties arose from the decision, made months ago, to start production fast in all directions, drive for quick results, and let systematic scheduling wait. He would make the same decision again, he added, and insisted that we were further along than if we had "sat down and deliberated." But now we must schedule. "It is time," said WPB Vice-Chairman James S. Knowlson, also present at the conference, "to turn from emergency measures and settle down to the business of war."



Donald Nelson (with WPB Vice-Chairman James S. Knowlson at his right) meets his best friends and sever-

est critics—the press—to report on a conversion job in WPB—from emergency steps to "the business of war."

• **Corridor Questions**—To the extent that the conference was designed to re-establish Nelson's position in the public eye, it left questions behind it. As the reporters loitered in the corridors afterward, some were still asking, "How many months will Nelson last?"

Such reactions and some unfairness in them spring, in part, from the fact that the reporters—and in this they typified the public—wanted something dramatic, drastic, something to make a headline. They hadn't got it. Nelson doesn't work that way.

But, also, they hadn't dreamed up the stories they had been writing of internal disension, indecision, and low morale in WPB. They had been talking to the officials at the lower level, the men who carry out the work. And, at the moment, they saw little relation between what they had learned at those levels and the reasonable, straightforward story they heard from Nelson.

• **Gap to Close**—This fact in itself reveals WPB's weakest point. It's the broad gap separating Nelson and his close policy advisors at the top from the great body of bureau chiefs, section heads, specialists, coordinators. Sometimes Nelson's orders don't get implemented in practice because the man who has to carry them out doesn't agree. Sometimes, too, Nelson isn't fully aware of what's going on among his men down the line. ("I wish," he said, "that people would bring difficulties to my attention before taking them to the public.")

It is in the working levels, for instance, that WPB men have been con-

scious of rivalry with and lack of co-operation from the armed services. This is the source of the rather exaggerated press stories about a Somervell-Nelson battle for power.

• **"Production, Not Rivalry"**—Nelson himself doesn't see headlines in any rivalry with the services ("The Army and Navy are working for me"). He is confident of his full authority. He was as much puzzled as angered by reiterated questions designed to smoke out inroads on his powers by the services.

As the prime justification of his record, Nelson presented the production figures. Couched in percentages (July aircraft production 11% ahead of June, combat plant production 6%, medium tanks 35%, light tanks 15%, all ordnance including tanks 26%, naval vessels 22%), the figures were somewhat disingenuous in that they failed to make clear that in some items, at least, the gains merely brought July production back to the May peaks. But they did dispel the impression, current among headline readers, that over-all war production is in a tailspin or that it even is on a plateau (chart, page 13).

• **Rescheduling Under Way**—Nelson explained very clearly the general production situation, a situation already familiar to Business Week readers. He said that we are not, as yet, facing an actual shortage of basic raw materials so much as a lack of capacity in parts, special alloys, semi-fabricated items (BW—Aug. 8 '42, p. 15). He added that steps are being taken to ease the situation by a general rescheduling of contracts, a building up

of weak spots (BW—Aug. 22 '42, p19).

The rescheduling began about two months ago. Nelson met with the military chiefs of staff, asked them for a statement of the quantities and types of munition most immediately and urgently needed—in the order of urgency. This list was prepared, and contracts covered by the list now bear the AA-1 and AA-2 priority ratings. Calculations of the amount of material required to meet these requirements are now underway, have not yet been completed. When this job is finished, the calculators will attack the job of preparing bills of material on the war program as a whole.

Supply figures are in better shape. For the past two months Nelson has had figures in which he is confident on total available supplies of most materials.

Nowhere in the conference was there any rumble of tumbrils, any indication that Nelson will bring himself to be a head-chopper, or that he feels he has stood too firmly behind his present staff. The only pre-conference firing had been that of WPB-member Frederick L. Libbey—for giving the newspapers advance information on a report critical of the board's iron and steel branch. This the WPB chief stoutly justified. Washington had called it "at least unfortunate" that, after "heads will roll" stories in the press, his first disciplining move should have been against a critic. "I have the right to insist that reports go to me before they go to the press," is the firm answer.

Draft Forces Manpower Issue

And Selective Service System may, by default, get the job of allocating labor supply on plant-by-plant basis as heavier conscription now for Army, soon for Navy, cuts deeper.

When the Navy, the Coast Guard, and the Marine Corps start getting their men through the selective service instead of through voluntary enlistment—as now appears inevitable within the next few months—it will have effects on industry that will go far beyond the comparatively small number of men involved. The reason is that the Navy needs men with specific skills and trades rather than just miscellaneous military material. The change will precipitate a drastic overhaul of the whole system of occupational deferment from the draft—a change which has been under study for several months now (BW—Jul. 25 '42, p19). And this change, which is made further necessary by the rapidly increasing tempo of Army inductions, may itself serve to crystallize the whole confused status of controls over manpower.

• **Enlistments Upset Schedule**—The Navy will bitterly resist going over to the draft, but it's under heavy pressure. Uncontrolled enlistment is seriously upsetting Army induction (men on the verge of being drafted provide one of the most fruitful fields for Navy recruiting), and it is equally upsetting to the war industries, for when the Navy takes

a man it doesn't inquire into his importance to civilian production.

The War Manpower Commission is now studying the problem and will probably go to the President soon to demand an end to voluntary enlistment.

But if the Navy is to be forced to take its men from selective service, General Hershey will have to get his system into shape to meet Navy requirements. The Navy needs a high proportion of men with skilled trades and is undoubtedly going to call for men according to skill classifications. And the Army is moving in the same direction.

Prewar planning assumed that Army recruits would provide a representative occupational cross-section of the population from which the Army could get most of the skilled men it needed.

• **Draft Revision Needed**—A call for men by skill classes will impose demands which the present unscientific system of occupational deferment is quite incapable of meeting. It's one thing to tell a local draft board to defer all men who are critically needed in the war-important industries. But if a naval base and a munitions factory both need a skilled machinist, it's a job beyond the capacities of any local board to decide which should get him.

At the same time that this new task is about to be imposed on the boards, the sheer volume of their work is being increased and the manpower problem is being intensified by the stepped-up rate of Army inductions. The Army, it's reported, has already passed its year-end goal of 3,600,000 men and is inducting men at a rate vastly greater than was contemplated even a few months ago. That, incidentally, is why General Hershey warned last week that married men would be called before Christmas, although the selective service amendment of last month had been expected to keep them out until spring.

• **Problem of Morale**—Conflicting demands for skilled workers are almost sure to dictate abandonment of the local board system, at least as regards occupational deferment, and this will be a hard pill for Hershey to swallow. He's firmly convinced of the importance to national morale of handling each case by "a committee of neighbors" and hasn't yet fully reconciled himself to a change.

The approach with which selective service is now experimenting involves the preparation of a deferment program on a plant-by-plant basis. A determination would be made of the minimum number of workers in each occupation



DUCE'S SIGNPOSTS

After his conquest of African blacks, Mussolini indulged a Caesar complex by erecting classic memorials to his party. The British overturned Il Duce's "ramshackle empire" and

obliterated its symbols. Thus at Kisumu, in what was Italian East Africa, Fascist emblems in front of the governor's house are given ignominious removal by an American-built diesel Caterpillar tractor, part of equipment aiding war effort of United Nations.

required to keep the plant running. Another determination would be made of the rate at which the plant could be expected to train women, older men, and men with large families to replace skilled men of military age. Even as regards unskilled men, provision could be made for withdrawal at an even rate to permit orderly replacement. Such a study ends up with a definite program for drafting, in each month or quarter—so many welders, so many inspectors, so many laborers, etc.

● **Plan Has Drawbacks**—There are still lots of bugs in the scheme. The biggest is finding men with the skill needed to make the personnel studies. The initial experiments have been made in reliable, trusted firms where it was possible to rely heavily on the firm's own personnel people. But this couldn't be done if the system were generally applied.

Another difficulty is purely mechanical. If Plant A employs ten pattern-makers, could get along with seven, who is to decide which three shall go? It isn't possible simply to rely on draft order numbers, since all ten men are probably registered with different draft boards. In the experiments, the employer has simply been given seven deferment certificates, with names blank, to be presented to draft boards; he is left free to decide what names to write in. Everyone recognizes that this system won't work. For one thing, it would give rise to a multitude of union charges that employers used the system to consign labor leaders to the Army while less "dangerous" workers were favored with the soft job at home.

● **Labor Allocation to SSS**—Most significant feature of the whole plan is that it puts the selective service system smack into the middle of the general manpower job. Its problem then becomes much more than a matter of allocating men as between the Army and industry; it would involve allocation within industry. Suppose Plant B, down the street, only has 12 patternmakers, while its personnel schedule shows that it needs 15 draft-deferred men. Obviously, three patternmakers from Plant A, now slated for the Army, should go to Plant B.

Moreover, to do a really intelligent job of formulating plant personnel schedules it's necessary to have the sort of labor statistics that no one now has and that it's the job of an effective manpower agency to get. Until it's known how many patternmakers there are in the country, where they are, how many are being trained, how many the Army and Navy want, and what the prospective war industry demand is, no one can tell whether Plant A should be allowed its seven patternmakers or whether it should be required to scrape along somehow on five.

● **Needed: National Service Act**—Unless selective service is to be allowed to take over the whole manpower job by de-



Hope for motorists who cannot qualify for new tires or recaps is held out by United States Rubber Co. Re-

searcher Martin Casticum demonstrates the tire "sandal" of his invention, to reach dealers next month.

fault, McNutt and Roosevelt will have to bestir themselves to pull manpower legislation—the National Service Act—out of its pigeonhole. This sweeping bill which would authorize general allocation of labor is being held up in part by the desire to let such a touchy issue go over until after the elections.

But the immediate cause of delay is uncertainty over what agency shall become the nucleus of the huge organization needed. Two drafts of a bill are now in existence. One, prepared at the behest of the White House, would start with the selective service organization. Another, prepared by Manpower Commissioner McNutt's lawyers, would throw the job to the U. S. Employment Service. Both agencies come under the control of the Manpower Commission, but USES is doubly close to McNutt's heart since he has immediate charge of it in his post as security administrator. The two drafts now lie on the desk of a committee charged by WMC with the job of reconciling them. So far, they're just lying there.

Sandals for Tires

United States Rubber Co. contribution to the stopgap era may also help carpet companies solve their wartime problem.

United States Rubber Co. moved squarely into the forefront of the developers of stopgap tires late last week when it announced a new "tire sandal," made of rug-like cotton impregnated with asphalt emulsion.

Production of this device has already started. Distribution to dealers of the company will be completed in about a month.

● **Half-Solution**—The company makes no bones about this being only a half-solution to the problem of keeping cars on the road. For one thing, the fabric has proved itself only within 2,500-mile life limits. For another, speeds must be restricted to no more than 30 miles an

hour. And finally, prices of the "sandals" are expected to be slightly more than for recapping.

Developed by Martin Casticum of the company's tire division textile development laboratories, this device stems from common-sense study of the problem. In fabrics, the most durable is the carpet. Thinking ran that if cotton, a nonstrategic material, could be used instead of the imported wool needed for carpets, and if the same durability could be obtained, an answer to the interim tire problem might come to life.

• **Mills Lend a Hand**—The Bigelow-Sanford mills joined in the study. First products were turned out last March, and have been in process of change and development since.

The result of that work was unveiled at Detroit—strips of heavy cotton fabric, tightly lock-woven, napped with uncut loops on one side. The strip is a fifth smaller than a tire diameter. It is joined at its ends and put around the deflated casing. Wide serrated edges insert between rim and tire bead. The tire is inflated, stretching the fabric shoe to tautness.

• **Asphalt Emulsion Used**—About seven pounds of cotton are utilized in the process, along with three pounds of asphalt emulsion. News men who inspected the development were shown a cross-section of a shoe which had been through 2,400 miles of continuous road testing. Its original loops, which protruded stiffly about a half-inch from the pile base at the start of the run, still had an eighth of an inch or so of length remaining.

The manufacturing program calls for output of the cotton pile at the Thompsonville (Conn.) plant of Bigelow-Sanford. Asphalt emulsion impregnation will be at one of the U. S. Rubber

plants. Merchandising will be through U. S. Rubber dealers; belief is that a competent tire service man will be able to mount the strips.

• **Help for Dealers**—Viewed from the distribution standpoint, popular acceptance of such a development might be a means of continued operations for the retail tire men (BW—Jul. 11 '42, p18), whose major source of profitable income—retail tire sales—was taken from them when Japan marched through Malaya.

From the manufacturing standpoint, another interesting situation develops. Popular acceptance might be a life saver for carpet companies.

• **Carpet Problem**—The wool which goes into rugs is almost exclusively of foreign derivation. China was a large supplier, and the start of the Sino-Japanese war five years ago cut off a major source for the rug manufacturers. Then Indian and Australian wools were used—and now those sources are reduced. Domestic fibers lacked attributes deemed necessary by the carpet men.

Faced with continued diminution of their wool imports, the rug companies have turned in recent months toward development of rayon carpets and rayon-and-cotton mixed articles.

• **Fingers Crossed**—The carpet men declare that wear qualities on these new offerings are better than on the standard wool rugs, and in appearance no difference can be seen. However, the rayon carpets soil much easier than do the wool rugs, and must be maintained more carefully. Retail buyers are loath to introduce the new rayon mixtures until necessary, but that may come soon. And the rug industry has its fingers crossed on public acceptance.

It is this situation which may make the incursion into the tire field important in solving the production problem.

Implement Pinch

Machinery for farming faces cut in output to about 25% of 1939-40 level and some form of mild concentration.

Production of farm machinery during the implement industry's year beginning Nov. 1, 1942, will be shrunk to a small fraction of the base period—November, 1939, to November, 1940. This much is certain, although the actual lump sum of materials to be devoted to farming has not yet been settled.

• **Allotment of Less Than 50%**—It is assured, however, that farmers will have to meet the war crop goals in 1943 with much less than 50% of normally available new machinery, perhaps, as little as 25%. At present they are operating on an average of 82% of the base.

The delicate job of deciding just how much war-needed metals and materials can be allocated to the farm front was being worked over last week by the nation's top committees. The Food Requirements Committee, headed by Secretary Wickard, advocated a total allotment of production which, even with the Department of Agriculture's naturally favorable influence, was well under 50% of the 1939-40 base. The farm machinery branch of the War Production Board goes along with the Food Requirements Committee.

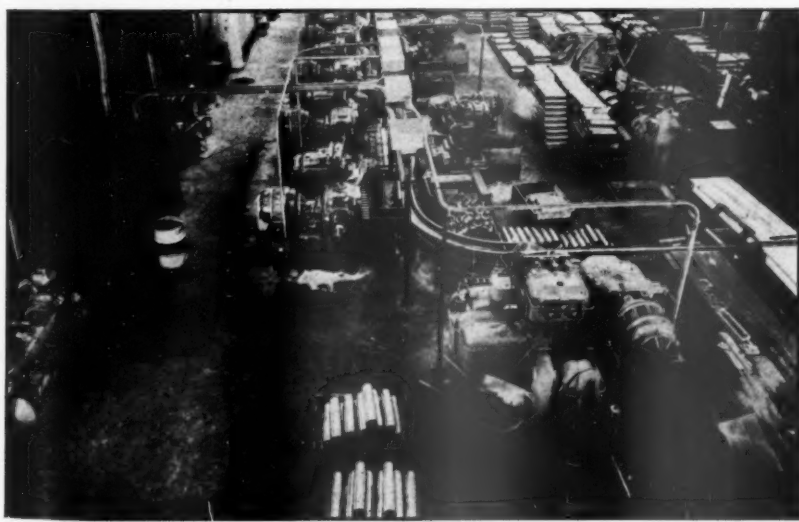
• **May Be Put up to Nelson**—The Office of Civilian Supply, however, produced a figure of its own, and a lower one. Last week the decision had reached the big tent of the Materials Requirements Committee, and if it fails of an amicable agreement there, Donald Nelson may have to settle the argument.

When it is finally decided just what lump of materials the farm industry is worth in the way of equipment, the farm machinery branch of the WPB will immediately apply its already drawn up percentage list by which an intraindustry rationing or quota system will channel production materials according to the importance of the finished units.

A similar percentage system has been in effect since May of this year under Limitation Order L-26.

• **A Sort of Concentration**—WPB believes it will be ready in another ten days. Then the farm equipment industry will be subjected to the concentration plan which has been predicted for it unofficially for several weeks. Only it will not be, strictly speaking, a concentration plan, but a simple rearrangement of implement manufacturers to take factories out of labor-squeezed war industry areas.

With the exception of plants making combines and tractors—jobs which can't be readily moved around—whatever re-



It's shells and not corn shellers for the farm implement people as they convert to war output. Typical is this

Cross Gear and Machine Co. shell machine installation in a Moline Power and Implement Co. plant.

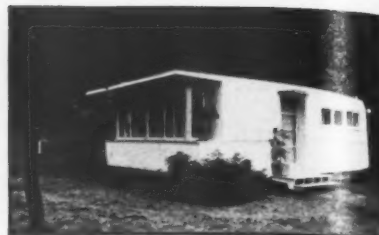


HOUSES ON WHEELS

The trailer-house, a portable two-section building, is the latest development of the Tennessee Valley Authority's continuing research into such housing (BW—Aug. 16 '41, p. 42). Four



test trailer-houses were built by a manufacturer in Michigan to be erected at Fontana Dam, N. C. They come in two sections, which are hauled to a prepared foundation and are joined to form a small home with living-dining room, bedroom, kitchen, and bath.



Maximum use of space is obtained by building in all of the furniture with the exception of chairs, tables, and a lamp or two. The house, which is rolled onto the foundation on small wheels along narrow tracks, can be erected by two men in half a day.

shuffle comes will simple mean farm equipment plants will be moved to areas not now housing important war work, preferably smaller towns where labor is relatively plentiful.

● **Not Too Great a Shock**—Whatever complete diversion of plants away from production of farm implements may be in store will not be earth-shaking. For one thing, if the over-all output of the industry is cut to, say, 30% of 1939-40, all the plants could not be busy anyway. For another, much of the industry's facilities have already gone into military production (the Rock Island-Davenport-Moline area is as much a tank factory as anything else now). For still another, WPB has already informally got the industry to simplify production, and shortages have had the same effect.

The farm implement company whose latest catalog has not been cut by 40% in number of items is a rarity.

● **Labor Market Problem**—The Department of Agriculture considers the lump recommendation of the Food Requirements Committee an extremely nude minimum of the machinery that will be required for farmers to meet food and fiber production goals. Their idea stands every chance, however, of being pared again, regardless. If so, any increase in farm labor shortages next year will be doubly painful.

Essentially the government allocators feel that if the existing body of farm equipment, which has been built up for several years by large and increasing sales, can be kept going by replacements, the sharp edge will be off the need for more new machinery. To maintain the farmer's present tools at capacity usefulness, however, means constant replacement. Hence the allotments for repairs and parts hold high honors.

● **Even More Repair Parts**—Under the existing regulations, repairs and parts manufacture is at 150% of 1939-40, and even though new machinery next year may be cut as low as 25% of this base, repairs and parts are more apt to go up from 150% than down.

Orders taking farm equipment off rubber this summer put into effect an automatic cut in production. International Harvester, for example, simply quit making their A and B models, the two smallest on their list, rather than shift them over to steel which would have required some engineering changes. Altogether the small four-wheeled tractor is just about out, with tractor production narrowed to the general purpose, or tricycle type.

● **About Ford-Ferguson**—This does not include the problem of Ford-Ferguson, which, because it develops two-plow horsepower on a light, low chassis, considers itself and is sometimes considered, a general purpose. During the season just ended the Ford-Ferguson received special production dispensation on some items of tractor-drawn equipment where its newness in the field had resulted in practically no production of implements during the base period of 1939-40.

When the farm implement charcoal sketch is finally finished in oil, emphasis will be entirely on fundamental tillage needs. Anything bordering on a gadget (for an extreme example, cabs and radios on tractors) will be completely out. On the other hand peanut diggers and pickers will have schedules way ahead of their base period production totals to fit the jump in oil-important peanut acreage.

● **Who'll Pick the Corn**—In between are hair-line problems like corn pickers. A corn picker is not necessary to the harvest of field corn, but cornhusking labor is shrinking with every draft call. For the committees trying to allocate all the critical materials of life for the duration, the choice is between using steel or using manpower to produce corn that is needed to finish animals that make meat that feed our soldiers and help our allies.

Clues to the basic thinking of the allocators are established in Limitation Order L-26. Plow shares, considered as repair and replacement parts, are allotted 140% of base production in L-26.

But two row listers (middle busters without planting attachments) are considered a refinement worth only 8% under L-26.

● **Fine Distinctions**—Similarly while the drive for dairy products was urgent during the last six months, all milking and butter-making equipment except the smallest size cream separators held quota percentages of from 130% to 213% of the base. But hog troughs were accorded nothing and engines under 1 hp. only 18%. Pickup hay balers, reflecting their late introduction into the equipment field, were allotted 353%.

The implement makers are probably less concerned with what is forthcoming on allotments and geographical shifts than on customer goodwill. If war-simplified products are to be sold by comparatively few companies, some of the makers will be just as happy not to have their names on them. And with factories nicely adapted to war contracts, their plants will be busy. A real hitch, however, with only a few machines available, is explaining to farmers why the dealer gave one to a particular customer for no explainable reason and none to his six neighbors who also wanted machines.

New Steel Quotas

Allocation plan, designed to supplement assignments, is expected to facilitate delivery to Class I and II users.

The new WPB Quota Allocation System for the distribution of steel will lessen the bemuddlement of this metal when put into effect, WPB priorities men say. This plan is a pal to the Quota Assignment System which has to do with production directives issued to the steel mills.

● **To Help Contractors**—The new system will divide steel production on a quar-



IT'S A LONG WAY...

from **RAW STEEL**
to the **BATTLE LINES!**



But Ryerson Cuts the Corners

IT'S a long way from raw steel to finished tools of war—from plates, structurals, bars and sheets—to planes, tanks, ships and guns! Helping to keep steel moving quickly and smoothly to all of the thousands of operations that must come *ahead* of final assembly is Ryerson's part in the war production job.

Ten big Ryerson Steel-Service Plants, conveniently located to serve the nation, provide a reliable source for emergency steel — quickly available to keep arteries of war production flowing. This is the vital function these steel warehouses are performing.

And, in spite of today's emergencies, when required stocks are not always immediately available, Ryerson engineers, laboratory technicians, and steel-service men

usually find a way to supply industry's war needs. Time and again, Ryerson stocks and Ryerson ingenuity, have been able to supply steel vital to the steady flow of war production when at first it seemed impossible.

Whatever your steel requirements—in line with the WPB system—the experience and resources of this century-young steel-service organization are yours to command. Phone, wire or write to the nearest Ryerson plant. You'll get quick action at once. Joseph T. Ryerson & Son, Inc., Chicago, Milwaukee, St. Louis, Cincinnati, Detroit, Cleveland, Buffalo, Boston, Philadelphia, Jersey City.



RYERSON STEEL-SERVICE

terly basis into "bank accounts" on which Army, Navy, Lend-Lease, Maritime Commission, Board of Economic Warfare, and Civilian Supply can draw "checks." These checks are to be known as steel certificates, and will be issued to contractors needing steel.

Each agency will be required to submit daily reports to WPB showing the amounts of metal for which it has written checks. These agencies are to have jurisdiction over the granting of certificates to Class I purchasers—those who need steel for fulfilling a specific military or essential civilian contract or authorization.

● **A Secondary Group**—WPB in no case will permit the "bank accounts" to be overdrawn. Subject to the war agencies' approval, WPB can hand out certificates to Class II purchasers—those who cannot identify the military or essential contract involved because they make parts or subassemblies.

Production urgency will be shown by whether the certificates are marked C, first priority, D, second priority, or X. As planned, "C" certificates will represent 85% of steel production, "D" certificates 15%, and "X" certificates will represent any overage, up to 10%. The month the steel is to be rolled is also to be shown on each certificate.

Wage Issue Boils

Judge Rosenman has yet to reconcile views of NWLB and Henderson on machinery to be set up for inflation control.

A battle over wage controls monopolized the attention of Washington's inflation fighters this week. The struggle was furious; the outcome in doubt. Because of the conflict, it is unlikely that President Roosevelt will act until after Labor Day to strengthen his anti-inflation machinery.

● **Where Conflict Lies**—Judge Samuel I. Rosenman of New York is trying to resolve the differences, and draft an executive order for the President. To date, he has been unable to reconcile the conflicting views of the National War Labor Board and Price Administrator Leon Henderson.

NWLB's views are important to every business man. The board's public, industry, and labor members are united in the determination that wage controls must be vested in a tripartite board, not entrusted to a single czar.

● **Administrative Issue**—NWLB thinks also that only general wage increases should be regulated and that no government agency should attempt to decide the hundreds of thousands of cases which would be forthcoming if it had the power to say whether Bethlehem Steel

Corp., for example, could or could not raise the pay of John Jones, roller, or Eugene Grace, president. Yet the latest draft of Judge Rosenman's order would entrust that administratively impossible job to NWLB.

The board supports its stand by saying that only general wage increases have an inflationary effect.

● **Stabilization Authority**—Judge Rosenman has been sounding out the various officials on a plan to create an Economic Stabilization Authority as the top-policy



SKIN TREATMENT

Riveting the thin aluminum "skin" of an airplane wing over the ribs and spars is likely to wrinkle and buckle it unless some special treatment is employed. The Glenn L. Martin Co. uses big electric heating pads to expand the metal, then stitch-rivets it in place. When the skin cools, it shrinks to the tautness and smoothness of a drum head.

coordinating agency on prices, wages, taxes, savings and credits.

It would consist of Henderson, NWLB Chairman William H. Davis, Secretary of Commerce Jesse H. Jones, Secretary of the Treasury Henry Morgenthau, Jr., Federal Reserve Board Chairman Marriner S. Eccles, Secretary of Agriculture Claude R. Wickard, and a chairman not yet designated. Henderson's candidate reportedly is Gov. Herbert H. Lehman of New York.

● **Wage Review Proposal**—NWLB is worried, too, about the proposal to create, subsidiary to the Economic Stabilization Authority, a seven-member committee which would review all NWLB wage awards which affected prices. This, says the board, would destroy its influence in wage matters.

There was a steady procession of NWLB members to the White House

to convince Judge Rosenman that the order should not be signed in its present form. Dr. George W. Taylor, the vice-chairman, went first. He was followed by Dean Wayne L. Morse, who talked to President Roosevelt as well as Judge Rosenman. Then employer members Roger D. Lapham and Cyrus S. Ching took their turn. None seemed encouraged after the conferences.

Pigs to the Rescue

Meat packers expect big hog runs this fall to terminate beef-pork shortage and to end any need for rationing.

For weeks now, newspapers and radio have forecast early meat rationing, have discussed impending meatless days and have expected price ceilings on livestock. But meat packers, steeped in industry facts and avidly keeping abreast of Washington plans, early this week still maintained that these forebodings are so much boloney.

● **Watch the Fall Hog Run**—Rationing civilian consumption of meat would simply not make sense right now, say the packers. Despite constant talk about government intentions to take for military needs and lend-lease an ever-increasing share of total slaughtering, the bottleneck of ocean shipping is letting current purchases run ahead of actual exports.

By the time a program of the necessary complexity could be set up, next fall's tremendous crop of pork should be coming to market. Once this record run of animals starts and as long as it lasts, no need for rationing seems conceivable to the packers. Ergo, industry economists see no possibility of meat rationing before next spring, if then.

● **Australia's Burden**—Another factor that is constantly working in favor of the domestic consumer is the steady flow of military personnel to the southwest Pacific. U. S. soldiers in that region eat Australian, not American meat. Thus every man transferred to that area releases for domestic use his former ration of more than 1 lb. of meat a day.

Such moves as the resolution passed last week by a convention of hotel and club stewards favoring immediate meatless days to forestall eventual rationing are dismissed by meat industry spokesmen as based more upon panic than reality. The packers expect a continuing stream of such resolutions from groups that are either super-patriotically eager to sacrifice or else stand to be jolted on the chin when and if meat rationing is imposed.

● **Matter of Nutrition**—Another reason why informed circles take less than seriously the talk of meatless days is that

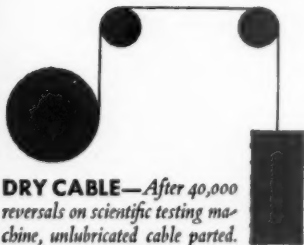
Spare the grease — and Spoil the Cable!

Today, with conservation of wire rope a vital necessity, every effort should be made to prolong the useful life of equipment you now have on hand. There is no wire rope available to private industry . . . only for government service and high priority war production.

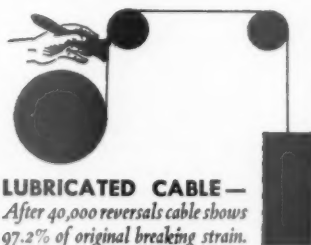
As a safeguard against premature rope failure, proper lubrication is essential, inexpensive prevention that pays big dividends in man hours and money saved.

Wire rope is a mechanism with thousands of bearings in every foot—*metal surfaces moving against metal*. Regular and proper lubrication prevents corrosion, reduces wear, maintains safety and operating efficiency. Neglect or improper lubrication accounts for a high percentage of premature rope failure.

Proper Lubrication Can Increase Rope Life as Much as 500%.



DRY CABLE—After 40,000 reversals on scientific testing machine, unlubricated cable parted.



LUBRICATED CABLE—After 40,000 reversals cable shows 97.2% of original breaking strain.

For advice regarding your specific problems, address our engineering department.

ROCHESTER *Ropes*
JAMAICA, NEW YORK • CULPEPER, VIRGINIA

SAFER CONVOYS

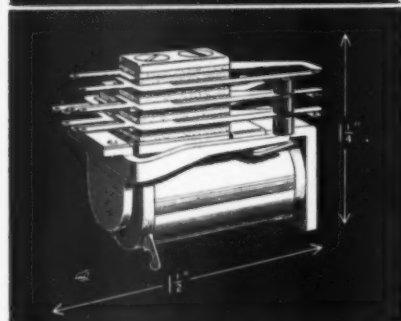


A shower of sparks from any ship in a convoy can spot the whole group . . . may set the stage for heavy losses.

Maxim Spark Arrestor Silencers trap all sparks from exhaust . . . give the additional safety of silent operation. That's why Maxims are doing such extensive sea duty today. The Maxim Silencer Co., 86 Homestead Ave., Hartford, Conn.

MAXIM SILENCERS

No experience is so rare as that gained through impatience with lack of progress. This is the fundamental basis of the Clare "Custom-Built" idea, and the Clare interpretation of service to relay buyers. Clare "Custom-Built" relays are more than "off-the-shelf" relays. They are relays designed and built to meet specific requirements.



CLARE RELAYS

"Custom-Built" Multiple Contact Relays
for Electrical, Electronic and Industrial Use

What's Happening to the Cost of Living

	Food	Clothing	Rent	Fuel, Ice, & Elec- tricity	House Furn- ishings	Misc.	Total Cost of Living
August, 1939.	93.5	100.3	104.3	97.5	100.6	100.4	98.6
July, 1941 . . .	106.7	104.8	106.1	102.3	107.4	103.7	105.5
August	108.0	106.9	106.3	103.2	108.9	104.0	106.2
September . . .	110.8	110.8	106.8	103.7	112.0	105.0	108.1
October	111.6	112.6	107.5	104.0	114.4	106.9	109.5
November	113.1	113.8	107.8	104.0	115.6	107.4	110.2
December	113.1	114.8	108.2	104.1	116.8	107.7	110.5
January, 1942 . .	116.2	116.1	108.4	104.3	118.2	108.5	112.0
February	116.8	119.0	108.6	104.4	119.7	109.4	112.9
March	118.6	123.6	108.9	104.5	121.2	110.1	114.5
April	119.6	126.5	109.2	104.3	121.9	110.6	115.1
May	121.6	126.2	109.9	104.9	122.2	110.9	116.0
June	123.2	125.3	108.5	105.0	122.3	110.9	116.4
July	124.6	125.3	107.7	106.3	122.4	111.0	116.9

Data: U. S. Bureau of Labor Statistics; 1935-39=100.

any such move would run head-on into the national nutrition program. The nutritionists are continuing their effort to get meat into the daily diet to perk up public health.

• **Ceiling Problems**—To any experienced stockyards buyer, Sec. Wickard's recent utterances assenting in principle to livestock ceilings said clearly that he was willing—if somebody will show him how to put on a ceiling that will mean anything. This, of course, is the attitude of those packers who do not allow their pains from the livestock price squeeze to blot out the difficulties. They feel it is impossible to control purchase prices in a field where any three experts can seldom agree on the average grade of a stock pen of steers or gilts.

The meat packing industry's major interest in Washington doings centers at the moment upon the Aug. 18 announcement by Sec. Wickard in his role as chairman of the War Production Board's Food Requirements Committee. His statement said that this body is now working to provide estimates and over-all requirement figures for all military and civilian needs—and that these will then be balanced against the livestock in the country to bring it to market as required. Obvious as this program seems, it is something the packers have been struggling for months to attain.

• **Better Buying Urged**—Nobody in the front offices of Chicago's Packingtown is eager to talk critically of their best customer, but a crucial need exists to bring some semblance of order into government meat buying. The goal is clear: To handle government meat purchases so that they accord with the realities of purchasing economics and so that they respect, to the attainable maximum, the welfare of the civil population.

The industry cheerfully recognizes that first call on national meat supplies belongs to the Army and Navy, second call to lend-lease, third call to other government bodies with a share in war, and

that civilian supplies must tag along only after all of these urgent needs are met.

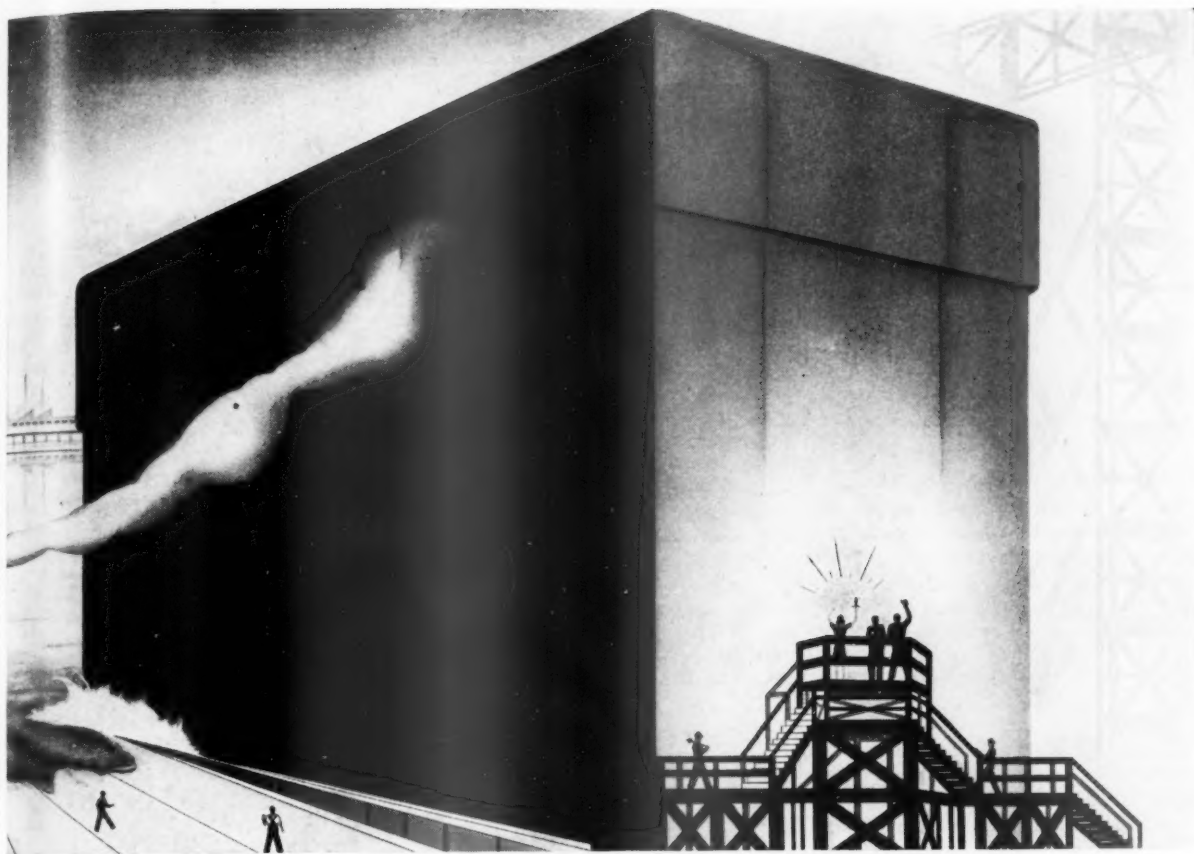
• **Army's Job Expands**—Because the Army is so big a user, the talk in Washington is that its procedures will be first up for modernization. War Department buying techniques were developed to provide rations for less than 500,000 men. Now some of the methods creak around the joints in trying to carry the load of feeding several million men; this has been a common complaint in many perishable commodities, such as fresh fruits and vegetables, and has doubtless been raised in respect to meats.

Another objective is to make more flexible the ideas of those authorities who keep on providing precisely so many meals per week of beef, of pork, of lettuce or carrots or tomatoes, regardless of market conditions at the moment.

• **An Eye to the Market**—It would also help, say packers, if procurement officers were given greater latitude in such matters as allowable grades. Army's traditional insistence on buying the long-time standard No. 3 and No. 4 grades of beef, for instance, has for months kept the market swept practically clean of these grades, and has run up the price when at times it would be more sensible and economical to accept another grade that is temporarily overplentiful.

Out of the incipient planning program, packers hope there may come a complete revamping of government meat procurement to rationalize the policies and to synchronize purchases with available supplies. Hoped-for improvements: an over-all government meat planning body, and such concrete methods as preplanning for lend-lease.

• **How Planning Would Work**—If lend-lease preplanning were operative now, the government would be out of the market because runs of animals for slaughter are light and warehouse stocks exceed obtainable shipping space.



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EXCEL IN SALES APPEAL

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E. J. Trum Co., Inc.
BUFFALO, N. Y.
Thoma Paper Box Co.
CHATTANOOGA, TENN.
Atlas Paper Box Co.
CHICAGO, ILL.
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COLUMBUS, OHIO
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DANVERS, MASS.
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MERIDEN, CONN.
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NASHVILLE, TENN.
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Newark Paper Box Co.
NEW YORK, N. Y.
A. Dorfman Co., Inc.
PAWTUCKET, R. I.
Shaw Paper Box Co.
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SOMERVILLE, MASS.
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Appleton Coated Paper Company; Blackstone Glazed Paper Company; Louis Dejonge & Company; Hampden Glazed Paper and Card Company; Hazen Paper Company; Holyoke Card and Paper Company; Holyoke Coated & Printed Paper Co.; Hughes and Hoffman; Lachman-Novasol Paper Company; Marvellum Company; Matthias Paper Corporation; McLaurin-Jones Company; Middlesex Products Corporation; Nashua Gummed and Coated Paper Company; Paper City Manufacturing Company, Inc.; Plastic Coating Corp.; Racquette River Paper Company; Regal Paper Corporation; Stokes and Smith Co.; Charles W. Williams & Co., Inc.

Many products are being launched in new packaging attire. Alterations and changes become necessary as our war economy eliminates or rations materials.

Box board for set-up boxes is available, and set-up boxes have always afforded an ideal packaging medium. This type of box is rigid, providing greater strength, and is delivered to the customer ready to use. It accomplishes savings in loading and shipping, as well as being unusually attractive in appearance.

The leaders in the set-up paper box industry have formed a group of "Master Craftsmen" for the purpose of offering a prompt and intelligent packaging service under wartime conditions. A clearing house for information has been established. One Master Craftsman helps another in the all-out effort to solve the problems of design and production.

If you have a packaging problem created by conversion to war production; or if the shortage of materials has made it necessary to change the packaging of your regular line, it will pay you to consult the "Master Craftsman" nearest you.

BUY BONDS FOR VICTORY

MASTER CRAFTSMEN of the SET-UP PAPER
BOX INDUSTRY

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This Wood Has Gone to War in Tough Parts of the World

WOLMANIZED LUMBER* went to war in the tropics years ago, when it joined the rubber and banana planters in their fight against decay and termite attack. Today, because of its highly successful performance on peacetime projects there, it has been drafted for similar wartime service.

MILITARY AND AIRWAY structures all along our far-reaching supply lines are employing this wood. It simplifies handling and shipment, and speeds erection. Wood has high insulating value, much needed in the tropics.

WOLMANIZED LUMBER is providing all these usual advantages with this plus . . . **LONG LIFE**. Our fighting forces can give all their attention to winning this war, without fear of termites and decay tumbling these buildings down around their heads. Vacuum-pressure impregnation of ordinary wood by the Wolmanizing process gives it this lasting ability.

PEACETIME USE of this long-lived wood for the tough jobs in industry can be resumed as Wolmanized Lumber again becomes available. We'll gladly send you data on how and where it has proved its worth. American Lumber & Treating Company, 1656 McCormick Building, Chicago, Illinois.

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**WOLMANIZED
LUMBER**



WAR BUSINESS CHECKLIST

The Week's Orders

A digest of new federal rules and regulations affecting priorities, price control, and transportation.

• **Production Requirements Plan**—Companies which do not submit third quarter applications immediately are now advised that they cannot be accepted under PRP until the next quarter.

• **Chain Stores**—Chain stores operating under a central purchasing and pricing authority have been authorized to continue this policy, after obtaining OPA approval, in determining any article or service covered by OPA regulations. (Supplementary Order 13.)

• **Imports**—Changes in general imports orders affect the status of oils, wool, fabrics, and kaolin. (M-63, Lists I, II, III.)

• **General Maximum Price Regulation**—A more direct method by which sellers subject to GMPR may establish ceiling prices for classes of purchasers with whom they did not deal in March is provided by revision of methods for maintaining customary price differentials. The amendment also broadens conditions under which a seller may put into effect price increases announced during or prior to March when no deliveries were made at higher prices. (Amendment 23 to GMPR.)

• **Utilities**—Construction has been stopped on electric power and light projects permitted under a prior authorization which had allowed completion of those that were 40% finished on Dec. 5. Halt is due to increasing critical material shortages, especially of copper and steel. (Amendment 3 to P-46.)

• **Transport**—The Office of Defense Transportation has assumed wartime emergency control over all domestic waterway craft capable of transporting liquid cargo in bulk. The order, effective Sept. 10, is designed to increase flow of oil to the Eastern Seaboard and establishes a permit system directing movement of petroleum and petroleum products in Great Lakes, inland waterway, coastwise and intercoastal shipping. (General Order ODT 19.)

Repair and service trucks are allowed to make call-backs (ODT General Permit 17-13.)

A list of approved standard models of industrial power trucks, issued by the

Director General for Operations, allows certain types to be manufactured. (L-112-A.)

Rubber-tired motor vehicles cannot be used in for-hire sightseeing service by any motor vehicle after Sept. 10. An extension of the original order curtailing bus service, the new regulation forbids use of taxicabs and drive-yourself cars for sightseeing. (Amendment 2 to General Order ODT 10.) Present restrictions include trucks used to transport passengers. (ODT Interpretation 10-1.)

• **Metals**—Aluminum for the armed forces is limited strictly to implements of war and several other changes in allocation are made by a new combination conservation and use-control order which consolidates and changes former regulation. (Supplementary Order M-1-i; revocation of M-1-e, M-1-f.)

Maximum prices for fabricated structural steel shapes, plates, and bars and the servicing of these products may be determined by OPA formula when such prices cannot be established under Section 2 of the General Maximum Price Regulation. (Order 61 under section 3-b-1, GMPR.)

Cobalt used for ground coat fruit is limited, in any one quarter to 35% of the amount used in the first 6 months of 1941. (Amendment 2 to M-39-b.)

• **Food**—Increases in costs of the 1942 pack of frozen fruits, berries, and vegetables over those of 1941 may be passed on to buyers according to a formula closely paralleling that established for canned fruits and berries (BW—Aug. 15 '42, p8). Limitations are placed on manner of computing permissible increases in raw material costs, and maximum per ton prices are established for fresh fruits. (Regulation 207.)

Maximum prices on all varieties and classes of milled rice have been reduced an average of 9.7% from original ceilings to relieve squeeze on wholesalers and retailers. The price change in no way affects the ultimate consumer. (Amendment to Regulation 150.)

Preference ratings for repair, maintenance, operating, and replacement materials related to manufacturing butter, cheese, ice cream, or other dairy products apply only for primary processing phases. (Interpretation 1 to P-118.)

WPB has delegated allocation of vegetable oil seeds and oil-seed products to the Commodity Credit Corp., thus centralizing authority over problems of price, storage, and crushing facilities arising out of this year's bumper crop of cottonseed, flaxseed, peanuts and soybeans.

Cost of freezing and special packaging as well as transportation charges

may be added to the ceiling prices for beef and veal carcasses and wholesale cuts sold to armed forces and to Federal Surplus Commodities Corp. (Amendment 4 to Regulation 169.)

• **Sugar**—Consumers may purchase 5 lb. of sugar upon surrender of War Ration Book Stamp No. 8 during the period beginning Aug. 23 and ending Oct. 31. Although this is largest amount of sugar yet made available for delivery at one time, it must cover longest ration period yet assigned, represents no increase in the original rate of a half pound per person per week. (Amendment 8 to Rationing Order 3.)

• **Coffee**—Coffee quotas for wholesalers, retailers, and other receivers are reduced from 75% to 65% of average monthly amount which a roaster delivered or a wholesaler accepted during the corresponding quarter of 1941. (Amendment 1 to M-135-c.)

• **Automobiles**—Members of armed forces are eligible to purchase new passenger automobiles upon proof that a car is needed for transportation between residence and post of duty or on official business where no military vehicle is available—the same conditions which make Army and Navy personnel eligible for recapped tires. (Amendment 12 to Rationing Order 2A.)

Sales to civilians of 1942 model Ford, Chevrolet, and Plymouth four-door, hard-topped sedans that have been driven less than 1,000 miles are frozen until Oct. 31 to provide the government pool with necessary cars for military requirements. (Amendment 13 to Rationing Order 2A.)

• **Textiles**—Price ceilings for cotton textile products, including several hundred types and makes of huck and crash towels, are established by OPA; this is the fifth group of cotton so treated. (Amendment 10 to Regulation 118.)

Imported wool yarns are automatically placed under GMPR by their exemption from the wool price schedule, the base pricing period of which was ill-adapted to sellers of imported yarns. Changes have also been made in ceilings for British, Australian, New Zealand, South American, and other British Wool Control shorn wools. (Amendment 7 to Schedule 58.)

Mohair remains under the restrictions of the Men's and Boy's Clothing Order (M-73-a), although it has been exempted by recent amendment from the Wool Conservation Order (M-73).

In its first departure from the policy of pricing textiles according to formula, OPA has set cents-per-yard maximums on two special categories of piece goods—shoe lining fabric and rejects of certain finished piece goods made according to government specifications.



Autocar Co.,
Ardmore, Pa.
American Tool Works Co.,
Cincinnati, O.
Belmont Radio Corp.,
Chicago, Ill.
Charles C. Allen Co.,
Barre, Mass.
Cincinnati Bickford Tool Co.,
Cincinnati, O.
Commercial Shearing &
Stamping Co.,
Youngstown, O.
Diebold Safe and Lock Co.,
Canton, O.
Electric Specialty Co.,
Stamford, Conn.
Ex-Cell-O Corp.,
Detroit, Mich.
Fosdick Machine Tool Co.,
Cincinnati, O.
Galvin Manufacturing Co.,
Chicago, Ill.
General Motors Corp.,
(Delco Products Division)
Dayton, O.
General Motors Corp.,
(Guide Lamp Division)
Anderson, Ind.
Hallcrafters Co.,
Chicago, Ill.
Higgins Industries, Inc.,
New Orleans, La.
Howard & Foster, Inc.,
Brockton, Mass.
Independent Lock Co.,
Fitchburg, Mass.
Kearney & Trecker Corp.,
Milwaukee, Wis.

Kendall Co.,
(Bauer & Black Division),
Chicago, Ill.
Landis Machine Co.,
St. Louis, Mo.
Lapointe Machine Co.,
Hudson, Mass.
R. K. Leblond Machine Co.,
Cincinnati, O.
Lincoln Engineering Co.,
St. Louis, Mo.
Lundquist Tool & Manufacturing Co.,
Worcester, Mass.
Marchant Calculating Machine Co.,
Oakland, Calif.
Micromatic Hone Corp.,
Detroit, Mich.
Miller Printing Machinery Co.,
Pittsburgh, Pa.
National Pneumatic Co.,
Rahway, N. J.
National Twist Drill & Tool Co.,
Detroit, Mich.
Omaha Steel Works,
Omaha, Nebr.
Otis Elevator Co.,
Yonkers, N. Y.
Putnam Tool Co.,
Detroit, Mich.
RCA Manufacturing Co.,
(Radiotron Division),
Harrison, N. J.
Remington Arms Co., Inc.,
Bridgeport, Conn.

Robertshaw Thermostat Co.,
Youngwood, Pa.
Rogers Brothers Corp.,
Albion, Pa.
Sheffield Corp., Dayton, O.
Star Electric Motor Co.,
Bloomfield, N. J.
Stewart-Warner Corp.,
Chicago, Ill.
Stockham Pipe Fittings Co.,
Birmingham, Ala.
Strontium Products Co.,
Chauncey, O.
Struthers Wells-Titusville Corp.,
Titusville, Pa.
Tube Turns, Inc.,
Louisville, Ky.
United Engineering & Foundry Co.,
Youngstown, O.
United Shoe Machinery Co.,
Beverly, Mass.
Universal Boring Machine Co.,
Hudson, Mass.
Vilter Manufacturing Co.,
Milwaukee, Wis.
Western Cartridge Co.,
East Alton, Ill.
William Sellers & Co., Inc.,
Philadelphia, Pa.
Williams Oil-O-Matic Heating Corp.,
Bloomington, Ill.
Wright Machine Co.,
Worcester, Mass.
Zenith Optical Co.,
Huntington, W. Va.

Maximum prices for new or substantially modified finishing processes developed since April 15 must be reported to OPA according to certain regulations. (Amendment 2 to Regulation 128.)

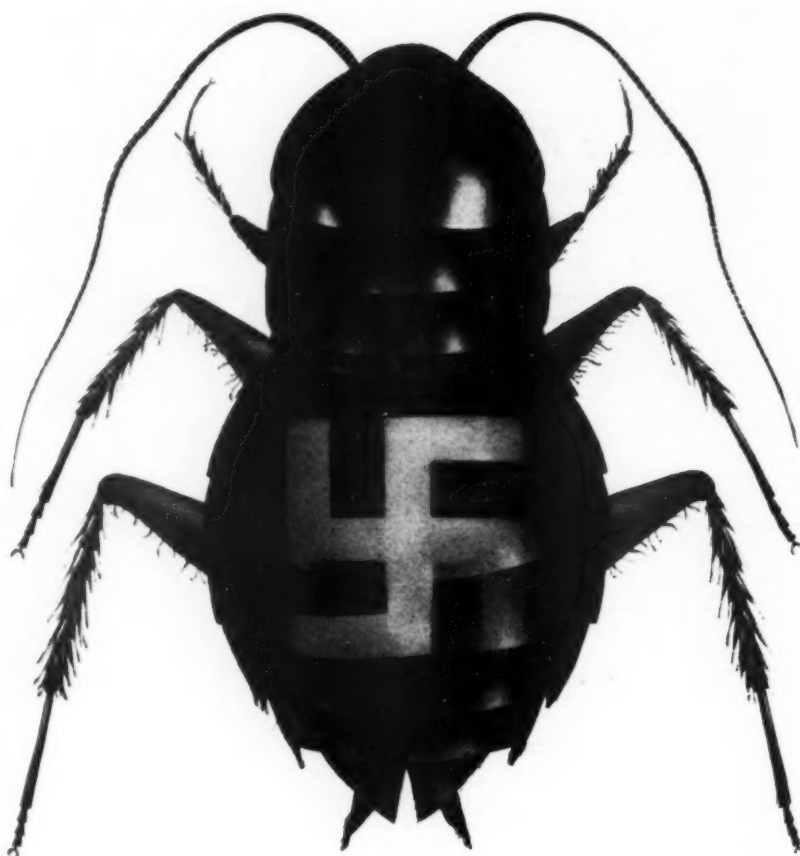
• **Apparel**—To relieve pressure at retail levels which might force an increase in prices workmen pay for work clothing, OPA has issued a special regulation rolling back prices at wholesale and manufacturing levels. Order applies only to men's and boys' non-seasonal garments made of all-cotton fabrics.

Simultaneously, WPB assured manufacturers of men's work clothing adequate

supplies of fabrics by authorizing the Director General for Operations to issue schedules allocating looms or yardages, assigning preference ratings, fixing quotas, regulating inventories, and otherwise controlling cotton textiles so used. Current ruling assigns fabrics a preference rating of A-2 on orders for work clothing. (M-207.)

Also part of the general roll-back of prices in the work clothing field are OPA's reduced prices (4¢ to 3¢ a yard) for denims, chambrays, and coverts. (Amendment 5 to Revised Schedule 35.)

• **Rubber**—Approximately 25,000 lb. of



Hitler's friend

There are no eight hour shifts for the lowly cockroach, the flea, the louse or other harbingers of filth and disease. Twenty-four hours a day, every day, they are getting in their dirty work. There can be no compromise with these friends of the Axis.

For example, between a thousand and two thousand workers in a West Coast shipyard were laid up recently by an epidemic—a "mysterious eye infection." A virus was found to be responsible, which, like most infectious diseases, thrives in the presence of unsanitary conditions. In

this case, thousands of man hours in vital war production were lost.

A few gallons of disinfectant might have prevented such an epidemic. It is the strongest argument in the world against any let-down in the maintenance of scrupulously sanitary conditions for any plant participating in the war effort.

At practically no cost we are prepared to instruct and supervise plant personnel . . . and supply all essential materials necessary to do a sanitation and cleaning job—and do it right! Send for complete information today.

DISINFECTANTS
AND INSECTICIDES



LIQUID AND POWDERED
HAND SOAPS

R. M. HOLLINGSHEAD CORP.

INDUSTRIAL DIVISION

Camden, New Jersey

19 Rector Street, New York

rubber a month will be saved by specifications issued for manufacture of rubber-covered rolls used in the paper, textile, tanning, steel, and other industries. (Amendment 15 to M-15-b-1.)

• **Motion Pictures**—All motion picture film in the hands of manufacturers is frozen, and an order has been issued requiring motion picture producers and all other users of 35 mm. film to apply to WPB for authority to purchase it. Designed to provide armed services with adequate film for their needs, the order will limit movies to the amount of film they used last year. (L-178.) An order affecting film for amateurs will be issued shortly.

• **Cleaning and Laundry**—Because the manufacture of wire coat hangers has been stopped to conserve steel, OPA has authorized dry cleaners and laundries to require a reasonable deposit (from 1¢ to 5¢) to insure return of hangers used in delivering garments. (Interpretation of Regulation 165.)

• **Kitchen Utensils**—Use of iron and steel in manufacture of kitchen utensils has been further reduced. Until Sept. 30 it may be used for cooking utensils at 70% of the rate of use during the year ending June 30. Previous rate was 90%. For kitchenware and other essential household articles the rate is reduced from 70% to 50% for the same period. (Amendment 6 to L-30.)

• **Plumbing and Heating**—Cooking and baking equipment using coal, oil, or gas as well as steam and hot water heating boilers, warm air furnaces, floor furnaces, unit heaters, conversion burners, and gas steam radiators are brought under the metal plumbing and heating order which, with certain exceptions, prohibits sale of such equipment. (Amendments 1 and 2 to L-89.)

Preference rating assistance is provided for repair and maintenance of cooking and baking equipment. (Amendment 1 to P-84.)

Permission is granted for manufacture of types of pipe fittings necessary for operation of fire protection sprinkler systems and for drain pipes. (Amendment 3, Schedule II of L-42.)

Manufacturers' price ceilings for vitrified clay sewer pipe and allied products have been established by OPA for Eastern, Southern, and East Central areas of the country. (Regulation 206.)

• **Coal**—Additional exemptions from and adjustments of ceiling prices on bituminous coal delivered from mine or preparation plant have been allowed by OPA. Also legal procedure for modification has been simplified. (Amendment 17 to Regulation 120.)

To correct an inequality existing between ceiling prices along the Eastern

Seaboard and those at Great Lakes ports, suppliers of bituminous coal used for ship's bunker fuel at tidewater may add to maximum prices the amount of railroad freight increases which occurred between Jan. 15 and Apr. 30. (Amendment 1 to Regulation 189.)

• **Petroleum**—Revised method for pricing oil from a well not producing on the base-price date, Oct. 1, permits contract price to be paid for all production covered by a contract. Change from "at the well" to "at the receiving tank" basis is designed to encourage maintenance of central storage facilities. (Amendment 30 to Revised Schedule 88.)

• **Christmas Trees**—Trees, mistletoe, holly, ferns, plants, and other greenstuffs used for Christmas decorations are exempt from GMPR. (Amendment 23 to Supplementary Regulation 1 to GMPR.)

• **Chemicals**—Normal butyl alcohol, produced by both fermentation and synthesis, and synthetic and fermentation acetone and butyl acetate—chemicals essential in production of a wide variety of products including smokeless powder, cordite, enamels and plastics—will be sold at substantially lower prices under OPA orders effective Sept. 3. Maximum Price Regulations 36, 37.)

Chlorinated paraffin, used in fabric treatment and the manufacture of lubricating oils, has been placed under complete allocation control, the entire supply to be used by Army, Navy, and Maritime Commission. (M-189.)

• **Fertilizer**—Sulphate of ammonia has been brought under a price ceiling of \$29.20 a ton plus transportation charges. It applies to sales by producers, importers, and primary jobbers. (Regulation 205.)

• **Peppermint and Spearmint**—Sales and deliveries of these volatile or "essential" oils used in confections and dentifrices are exempted from GMPR since most growers did not make sales during March. (Amendment 1 to Supplementary Regulation 1.)

• **Paper**—To eliminate superfluous administrative operations, WPB removes from previous restrictions all shipments of less than five tons of any one grade of wood pulp in any calendar month. (Amendment 2 to M-93.)

• **Automotive Rationing**—Sales are still lagging behind quotas, as far as autos are concerned (BW—Aug. 8'42, p. 29), but tires for trucks and passenger cars have been selling right up to the limit. September quotas for tires, recaps, and tubes have been cut in line with seasonal expectancies in all divisions except Grade II, that for qualified war workers.



COOL AS A CUCUMBER
SCREW-DRIVING THE
PHILLIPS WAY IS THE
"EASY-CHAIR" WAY

Faster Driving • Less Effort • Better Work = 50% Less Assembly Cost with Phillips Screws

It seems reasonable to expect more production and better work from a man who doesn't have to sweat and strain (and curse) in order to drive a screw.

Plants which have switched over to Phillips Recessed Head Screws do find that quantity and quality both respond nicely to the change. The Phillips Screw clings to the driver, transmits driving power more efficiently, prevents screw-driver slippage, drives straight automatically and doesn't chew up when you start to drive it home. On top of that, it is more often practical to use electric or pneumatic drivers.

With so many nuisances and strength-wasters eliminated, operators do better work, even in awkward positions or even if inexperienced. Where accuracy is important, it is easier for them to line the job up right — seat the screws securely — and avoid costly rejects.

So keep your men cool as cucumbers with Phillips. Meanwhile, you'll be pleased as Punch to find that assembly costs are cut in half as a result of Phillips Screws.

Any of the Phillips Recessed Head Screw manufacturers listed below can furnish screws and facts.



PHILLIPS RECESSED HEAD SCREWS

GIVE YOU *2 for 1* (SPEED AT LOWER COST)

WOOD SCREWS • MACHINE SCREWS • SHEET METAL SCREWS • STOVE BOLTS • SPECIAL THREAD-CUTTING SCREWS
• SCREWS WITH LOCK WASHERS

American Screw Co., Providence, R. I.
The Bristol Co., Waterbury, Conn.
Central Screw Co., Chicago, Ill.
Chandler Products Corp., Cleveland, Ohio
Continental Screw Co., New Bedford, Mass.
The Corbin Screw Corp., New Britain, Conn.
International Screw Co., Detroit, Mich.
The Lamson & Sessions Co., Cleveland, Ohio
The National Screw & Mfg. Co., Cleveland, Ohio
Whitney Screw Corp., Nashua, N.H.

New England Screw Co., Keene, N.H.
The Charles Parker Co., Meriden, Conn.
Parker-Kalon Corp., New York, N.Y.
Pawtucket Screw Co., Pawtucket, R.I.
Phosil Manufacturing Co., Chicago, Ill.
Russell, Burdall & Ward Bolt & Nut Co., Port Chester, N.Y.
Scovill Manufacturing Co., Waterbury, Conn.
Shakeproof Inc., Chicago, Ill.
The Southington Hardware Mfg. Co., Southington, Conn.

Tires that Fly DO THEIR FIGHTING "DOWNSTAIRS"



Even aviation experts have difficulty these days in keeping up with the rapidly changing designs and improvements in our bombers, fighters and trainers.

But tires for our war planes *have to keep up*. Because tires *must* have the stamina to stand up under the tremendously increased strain of modern-day take-offs and landings.

General served the aviation tire needs of our armed forces long before the war. General originated, developed and patented the streamline smooth contour principle, out of which the modern airplane tire has come.

Today, General's long practical experience in aviation tire manufacture has "earned their wings" for General Tires in America's battle for air supremacy.

Our battle for Victory *at home* must be one of *conserving the tires* now in use on our civilian cars and trucks . . . to keep our War Production going at capacity . . . to haul men and materials to factories . . . and to let our armed forces have first call on all the rubber available. Don't let speed, neglect or unrepaired damage *waste a single mile* of America's precious rubber.

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Tokyo Knows Generals. In a telegram to General Tire workers, Brigadier General Doolittle said, "We bombed Tokyo in the North American bombers you helped build . . . They will never stop us if you keep up your great work." (*Shown at left*)

VICTORY WILL COME WITH THE RUBBER YOU SAVE



IT TAKES A TOUGH TIRE to carry the weight of Uncle Sam's bombers. General airplane tires have proved equal to the job of seeing that America's latest dreadnoughts of the air take off and land safely.



The Sign of Tire Inspection, Repairs and Recapping by Experts Who Know How

Trainers, Too, Need Rugged Tires. Unimproved fields... constant inexperienced take-offs and landings... call for maximum safety in training ship tires. Shown above are five Boeing trainers destined for Peru, Great Britain, China, U.S. Navy and U.S. Army (top to bottom).

THE WAR—AND BUSINESS ABROAD

Brazil's Entry Is Nicely Timed

Helping to offset psychological effects of reverses in Russia, new ally also makes a big strategic contribution. Enigma of Don-Caucasus drive is extent of damage to Soviet industry.

As a psychological antidote for Russian disasters on the Don-Caucasus front, the entry of Brazil into the war against Germany and Italy was most opportune for the United Nations. In the last World War, Brazil was the only South American nation which took up arms on the side of the democracies. Her enlistment in this struggle is vastly more important because of the global range of hostilities. And it is especially valuable to the United States because it bolsters the shore and ocean defense of the Western Hemisphere.

Strategically Significant

Since Brazil's arms are limited, her immediate contributions are strategic. At Natal, where Brazil shoulders out into the Atlantic, the distance to Africa is only 1,600 miles, the shortest route between the continents. To modern warfare, with its long-range U-boats and bombers, this is a strait. And the expansion of air fields already leased to the U.S. in this region, plus more active aid by Brazil's small air force and navy, should improve the chances of combating Axis raids on commerce in the South Atlantic.

Further, the grant of nonbelligerent rights by Uruguay and Argentina gives the Brazilian forces the use of air fields and harbor facilities dominating the mouth of the River Platte.

Fifth Column Problem

Ashore, the advantages of Brazil's war declaration also are significant. Immediate and ruthless action was taken against fifth column suspects throughout the country. The German population, especially in the state of Rio Grande do Sul, was frankly contemptuous of Brazilians, was giving every possible aid to the Nazi cause. The same was true of an unknown percentage of the 2,000,000 Italians.

Suspicion that Nazi sympathizers had reported the position of Brazilian ships to waiting U-boats inflamed the riots that broke out on the declaration of war. Since January, 19 Brazilian ships have been torpedoed, six of them in recent weeks with the loss of 600 lives.

To some extent the loss of shipping has been balanced by the confiscation of 15 German and Italian ships totaling 123,000 tons that had been interned in

Brazil's ports. But these bottoms already were in service under an arrangement that would have compensated the owners. Also confiscated were one Italian and two German banks.

On the diplomatic front, Brazil's action was a decided boost for American policy. Generally speaking, the people of all Latin America applaud Brazil's answer to insolent attack. Their attitude makes it more difficult for Argentina and Chile to oppose hemisphere solidarity, to maintain diplomatic relations with the Axis, to afford thereby bases for spy and sabotage networks.

But Brazil brings along liabilities too. Her entry into the war adds 4,600 miles of coast line that must be patrolled.

In Russia, Nazi intention becomes evident as the three-point drive sweeps toward the Black Sea port of Novorossiysk, the rich oil fields of Grozny, the vital industrial city of Stalingrad on the Volga. The hope is to paralyze Russia by cutting off her oil supplies and southern industries, to absorb the captured regions into the Nazi economy at leisure. The big question now is:

Can Russia continue to hit back with any power if the Nazi fangs close upon this sector of her spinal column?

The Russians are said to have been evacuating production machines from Stalingrad, as they did from Moscow last year. The miles-high Caucasus Mountains will defend Iran and Iraq (so long as the Russian Black Sea fleet can continue to operate as flank protection), while American supplies roll in via the Persian Gulf. Russia will remain unconquered if her Army can keep intact, and there is no hint of its quitting. Winston Churchill's return from his conference with Stalin, plus tentative thrusts toward France, bolster talk that the long-sought second front may be opened before winter.

Facing Another Winter

For the Axis it is still victories without peace. War-weary Germans listening obediently at the receivers last week, heard Joe Goebbels admit that another winter campaign in Russia was inevitable. And in Budapest, war clothing is being collected for Hungarian soldiers who must take part.

In search for comforting news, Americans should be warned against too much credence in reports of important Chinese victories. It is evident that the main reason for recent Chinese successes was the withdrawal of heavy Japanese forces from the areas involved. The Japanese still retain the offensive in the main theaters of the Pacific and the Allied Nations must still try to guess where the next major blow will be directed—whether against India, Siberia, or Australia.



As Brazil, our newest ally, goes on a war footing, President Getulio Vargas (left) and his Field Commander, General Almerio de Moura, review troops

of the Brazilian Army, which has recently been increased to more than 100,000 regulars and an estimated 300,000 trained reserves.



HE EATS ONLY  MEAL A DAY

OUT OF A LUNCH PAIL

Portland's war workers aren't always in "tin hats" and work clothes. That one meal out of a lunch pail is a good one . . . but, man, you should see the spread on the table at home.

Portland has always been a good market . . . a sound market. Today it's better than ever* and Oregon's vast natural resources are being developed into great permanent industries.

There are **more people with more money** to spend in The Portland Area than ever before in history . . . and they're here to stay!

The Journal is The Portland Area's newspaper. Here where 112,129 of the daily Journal's 147,159 circulation is concentrated, the Journal gives advertisers a bonus of 20,450 more local families than any other Oregon daily newspaper.

**In one year industrial payrolls in The Portland Area have nearly trebled (and this ain't hay!). During the same period industrial payrolls for the remaining 35 counties in the state of Oregon have increased only 20%.*



THE JOURNAL

PORTLAND OREGON

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GOOD-NEIGHBOR COCOA

Guatemala is not normally much of a factor in the United States chocolate trade, but the Guatemalans (along

with all the rest of tropical Latin America) now are busy shipping cocoa beans. They have a big market, with Africa's Gold Coast (No. 1 producer) beset by the shipping situation.

Manpower Pool

Dominion consolidates its control over all human resources while workers threaten strikes and protest against tax plan.

OTTAWA—Since the Mackenzie King government has been authorized by parliament to draft men for warfare on any front, it is now faced with the problem of adjusting the demands of the military for more soldiers against the demands of industry for more war workers.

In the selective service order, to be issued late this month or early in September, Ottawa will establish one-man manpower control, ending competition among six government departments for first claim on the Dominion's human resources.

• **How It Shapes Up**—All selective service control, including operation of the army draft, is being transferred to Labor Minister Humphrey Mitchell (BW—Aug. 22 '42, p. 58) and will be under the

direct administration of Selective Service Director Elliott M. Little. Army draft machinery has been operated by the War Services Department with three divisions administering the armed forces, and Munitions Minister Howe concerned in the distribution of dwindling supplies of industrial manpower. Little will decide between the claims of the military and war production.

While the over-all purpose of the new order is to provide authority for calling to war service the man and woman power of the country, the immediate objective is to stop the drifting of labor from one employment to another.

• **Rules**—Among provisions for effecting this are: (1) barring workers from quitting jobs without notice to the local selective service office; (2) barring them from seeking any jobs other than those to which they are referred by the local office; (3) forbidding employers to dismiss employees except in special cases; (4) restricting employers to hiring only those sent to them by the selective service system; (5) making it compulsory after a period for employable jobless to accept available work.

Workers shifting from civilian to war employment will be guaranteed their old jobs back under the government measure in the same terms that men entering the army are protected.

• **Other Features**—To round out the plan, provision is made for expansion of technical training facilities, for reconditioning the not fully employable jobless, and for helping married women to enter war work through day nursery facilities for the care of their children.

Actually the only extensive remaining sources of manpower for the war plants are civilian plants. The supply of employable jobless is used up. Hence the Wartime Prices and Trade Board and the War Industries Board of the Munitions Department are planning additional curtailments of civilian industry.

• **Labor Lag**—As in the U. S., threatened labor troubles draw a cloud over Canadian war production. While none of them is at a critical stage, they range from strike votes in key war industries, through unrest in plants faced with curtailment to conserve electric power and materials, to a prospective outbreak of absenteeism. Ottawa is worried, many industries more so, but Labor Minister Humphrey Mitchell believes the cloud will blow over.

A major part of Canada's steel output is endangered by strike votes of workers at Algoma Steel Corp.'s Sault Ste. Marie plant in Northern Ontario and the Dominion Steel and Coal Corp. works at Sydney, N. S. Approximately 4,000 men are affected at each place.

• **Pay Boost Demanded**—At Sault Ste. Marie, United Steel Workers voted more than 3,000 to 22 to strike if necessary to enforce a demand for an upping of wages to 55¢ from 45¢ and 46¢. Workers at Sydney are equally strong for the strike proposal. So far the strike voters are within wartime regulations governing war industry. The vote at Algoma follows a conciliation board award which was rejected. The men are not barred from striking, but are not likely to down tools until Ottawa has made further efforts to settle the dispute.

These major strike threats have been timed for the eve of annual labor organization meetings, at which the protest of C.I.O. leaders in Canada against the wage ceiling will be renewed. C. H. Millard, Canadian C.I.O. leader, has been given full authority to represent the claims of the Algoma union, but he is alleged to be chiefly interested in fighting ceiling policy.

• **Absenteeism**—The practice of playing hooky from work to attend public games or to register resentment at labor conditions had to be dealt with in Britain at one stage of the war. Now it is charged against workers in some sections of Ontario and Quebec. Both industrialists and Ottawa authorities fear a spread of the nuisance next month when in-

come tax deductions begin to be taken out of pay envelopes by employers.

In his recent budget bill, Finance Minister Ilsley upped income taxes so steeply that he was afraid he would never make collections unless he adopted a pay-as-you-earn policy. Employers were required to calculate the tax payable by employees and deduct it regularly from their pay, turning in the collections to Ottawa. Worker resentment was aggravated because employers must also deduct forced savings.

• **Signs of Protest**—Ottawa became seriously alarmed this week at spreading signs of protest against this procedure. Large-scale absenteeism was feared. In an effort to prevent it, a major propaganda campaign got under way. Cabinet ministers are touring industrial areas explaining the tax to workers; newspaper and radio advertising is being used in a big way. Employers and labor organizations have been called on to help persuade men in war plants that the tax deductions are a necessary weapon of total warfare.

• **Corner Store Saved**—The price control authority has turned tail on a proposal that it fix store hours for the retail trade, involving 54 trading hours for a six-day week, 60 for a seven-day week, and 10 o'clock closing. Disclosure that the Wartime Prices and Trade Board was looking into the move at the suggestion of sections of the trade gave the corner-store section of the retail trade the jitters. It saw the death-knell of little stores doing a major portion of their business in the late evening hours. But the protest was so stormy that Ottawa decided not to touch the plan.

• **Cattle Price Floor**—Wartime Food Corp. was created by the price control administration early in the summer to maintain Dominion beef supplies by stemming the export of cattle to the U.S. for high prices and the currency premium. WFC became the sole exporter of Canadian cattle. To procure for domestic purposes cattle designed for export, the corporation placed private exporters under license and compelled them to turn over any cattle demanded, a condition being that the exporter would receive the same return as if cattle had crossed the border.

The corporation has now suspended all export licenses until the opening of the next U.S. import quota quarter, under a ruling that the quota is to be considered filled when actual exports to the U.S. plus cattle diverted from export channels equal the amount of the quota. In this situation, it will proceed to export any surplus cattle as the exclusive exporter. But Canadian cattle benefit from the arrangement, for the corporation has undertaken to maintain the cattle market by buying beyond domestic requirements whenever prices fall below the equivalent of wholesale ceiling beef prices.



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... Timing, precision, schedule ... are the basis of all tactics—and present day production!

... Delayed mail—late orders, specifications,

bills-of-lading—can delay victory! ... Keep your mail moving. Don't let letters pile up for the end-of-the-day peak. Get out your mail several times a day to help out the Postal Service, railroads, airlines.

And make the most of your Postage Meter ... which *prints* postage and postmark, seals envelopes, handles parcel post, saves time and effort in the office ... saves operations in the postoffice, starts mail on its way sooner ... now stamps more than one-fifth of all U. S. Mail!



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Branches in principal cities. Cf. phone directory.
In Canada: Canadian Postage Meters, Ltd.

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Explosives

Working day and night, 45,000 Canadian men and women in some 30 plants, are turning out fabulous quantities of chemicals and explosives for the fighting men of the United Nations. Most of the plants are new and produce more military explosives in six months than in the whole of the last war. Aerial bombs, small cartridges, anti-tank mines, depth charges, flares, shells—filled with Canadian-made explosives—are rolling off the lines at the rate of millions of rounds a month. Full scale production has been attained. Every plant listed in the original programme is now exceeding by far its planned capacity.

The Royal Bank of Canada

Head Office—Montreal

This advertisement is published in the belief that our American Neighbours will be interested in the facts presented. More detailed information is available on request to The Director of Public Information, Ottawa, Canada.

This new name in
**Fractional H. P.
ELECTRIC MOTORS**

Oster
REG. U. S. PAT. OFF.

stands for
**QUALITY
TO SATISFY
PRECISION
STANDARDS**

Now doing their part to assure dependable operation of vital war instruments and mechanisms, Oster motors have been used exclusively for fifteen years as original equipment on Oster motor-driven appliances. The complete appliances are approved by Underwriters Laboratories and extensively used by government services here and abroad. This experience assures performance that justifies good judgment in choosing Oster. Keep Oster in mind for your future requirements. **John Oster Mfg. Company, Racine, Wis.**

Size range (complete in housing) 1 1/2" dia. x 2 3/8" long, to 3 1/2" x 5 1/2" long.



MARKETING

Uniform Sales Act

Model law to regulate contractual relations between buyer and seller is drafted for Congress and legislatures.

Drafting of a revised Uniform Sales Act for the nation and the 48 states, first step in the proposed formulation of a new national Commercial Code, was advanced a long step toward completion last week at the Detroit meeting of the National Conference of Commissioners on Uniform State Law.

The discussion of the sales act, designed to regulate contractual relations between a buyer and seller, now in its third year, advanced to a point during the week where its formal language seems certain to be ready for approval at next year's conference.

• **Achievement Record**—Although its existence is scarcely known, the Conference of Commissioners has exercised a potent influence on law during its 50 years of existence. Members have included some of the best-known names in American jurisprudence, generally ap-

pointed without salary for life by the various governors. Recommendations approved in the past by the state legislatures involve basic and fundamental law—uniform acts on negotiable instruments, on warehouse receipts, on stock transfers, on judgments, on federal tax liens, on many others.

In its approach to the contemplated Commercial Code, the conference recognizes that business law has never been codified; like Topsy, it has just grown. The commissioners propose to codify and streamline this legislation into uniform bills for all the states. The job is looked upon as one which will take some five years to complete; the revised Uniform Sales Act is the first phase of it.

• **For Easy Comprehension**—The first objective of the experts framing the act is to make it understandable to all. As pointed out by Prof. K. N. Llewellyn of Columbia University, a clarified act will make it possible for the businessman to know more precisely when he should consult his attorney, will enable him to understand what his lawyer is doing—and quite possibly whether he is doing it properly—and will enable him to transact his affairs with a far greater realization of what he can and what he cannot do. The last Uniform Sales Act



SOFT GOODS FOR STRAUSS

Automobiles in dead storage—and there are thousands of them along the Eastern Seaboard—don't help the automobile accessory business at all. Consequently Strauss Stores, with

over 100 outlets in New York state and New England, in a hedging move, has added lines of work clothing. Now clothing and department stores in Strauss towns are wondering if soft goods and auto supplies will continue to go hand in hand after the war.



Vital Parts by **BOHN** are in all modern American Planes

No other country in the world has such rigid specifications for war material, as has the United States Government.

Bohn has developed innumerable vital parts, many of which are standard equipment in every modern American plane built or under construction. Such universal acceptance speaks volumes for the high quality—dependability and advanced engineering back of all Bohn applications.

Millions of aluminum, magnesium, brass & bronze parts and aircraft-type bearings—parts designed, engineered and fabricated by Bohn are in planes, trucks, automobiles, and a vast variety of other precision-built products.

Remember the name Bohn. The resources, engineering data and metallurgical accomplishments compiled by this organization for over 25 years are always at the disposal of our Government and American industry.



BOHN ALUMINUM AND BRASS CORPORATION

GENERAL OFFICES—LAFAYETTE BUILDING
DETROIT, MICHIGAN

Designers and Fabricators

**ALUMINUM • MAGNESIUM • BRASS & BRONZE
AIRCRAFT-TYPE BEARINGS**

was drafted in 1906, and the world has changed much since then. Three broad principles involved in the revisions discussed at Detroit would bring this act up to date, in tune with the times.

• **Because of Federal Controls**—First would be some relief from the rigidity of contracts. In 1906 business did not have to consider present centralized government controls over prices, priorities, and production, which have been born of war and depression. There was less likelihood that unexpected situations would arise justifying a breach of a contract; hence, provision was rarely made for them.

Companies with capable legal talent avoid the ill effects of the unexpected

today by writing into their agreements escape clauses, covering "circumstances beyond our control." But this is far from being a general practice. The revised sales act would automatically provide for the contingencies. Presupposed conditions would have to be present when the contract was ended, or else it could be voided.

• **Safeguarding Trust**—Second point in the concept of the revised act is a considerable change in the philosophy of the mutual responsibilities of contract-makers. In the past, to illustrate, a wholesaler might agree to deliver goods at a certain date to a retailer. When the time of delivery came, he might know that the retailer was on the verge of bankruptcy, but he would still have

to deliver the goods or face the consequences of his failure to carry out his contract.

But under the new code as discussed at Detroit, the wholesaler in this case would be able to demand safeguards without doing violence to the principle that the mutual trust between contracting parties should never wittingly or unwittingly be undermined.

• **Quick Settlement Needed**—The act also takes cognizance of the practical fact that it is desirable for both parties to a transaction to have means of settling disagreements at the time they arise rather than have to wait for the far-off decision of a jury on the matter.

For example, a shipper consigns goods from Chicago to New York, and the carload is refused when it arrives, on one ground or another. It may be perishable or seasonal goods; in any case demurrage begins to pile up; and under the law as it stands today, the argument cannot be settled at once unless both parties are willing to arbitrate. And, if one party knows he is in the wrong, he is unlikely to agree to arbitration.

• **Bringing Parties Together**—The proposed sales act would force action in this and other disputes. In such a case, resale of disputed goods would be compelled at once. Such a move would induce the side losing the goods to demand an immediate inspection, before the evidence in the case disappeared. Inspectors representing both parties would go over the merchandise together. Obviously the likelihood of settlement of the dispute would be much greater because of the joint examination, and any decision would be at least as well-grounded as that of a jury months later.

It was the conference's opinion that such strategically forced shortcuts would not only reduce disputes of this kind by an estimated 75%, but would also act to reduce the causes of such disputes.

• **Pushing for Passage**—The conference has high hopes for passage of its Uniform Sales Act when completed. First the conference plans to send it to Congress for enactment as a law to regulate interstate transactions. It is expected to have the backing of business interests and of the Administration as an aid to hemisphere solidarity, inasmuch as it dovetails in many respects with Latin-American business law, admitted in legal circles to be more advanced than our present regulations.

If passed in Congress, similar bills will be introduced in state legislatures, to bring intrastate law into conformity with the interstate rules which would then prevail.

• **Other Actions**—Although discussion of the revised sales act was a fundamental order of business at the week-long Detroit meeting, it was far from being an exclusive topic. A proposed uniform vital Statistics Act was approved, also one on guardianship of war veterans.



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...vital seconds are saved with OPERADIO—"The Voice of Production." Installed at the huge Wright plant, this paging and amplifying system transmits voice, music, signal and alarm; helps speed production essential to the men on the fighting fronts. High-g geared industrial plants everywhere are discovering the importance of flexible OPERADIO Communicating Systems...engineered to meet individual needs. Investigate! Write Operadio Manufacturing Co., Dept. B-5, St. Charles, Ill. Export Division: Operadio, 145 West 45th Street, New York City.

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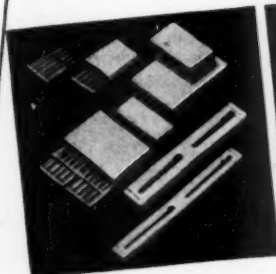
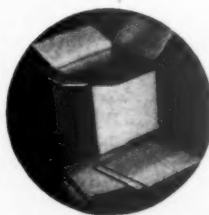
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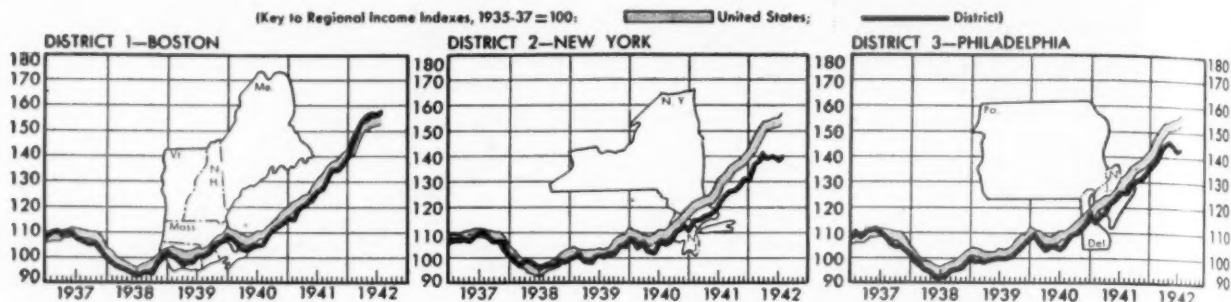
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THE REGIONAL MARKET OUTLOOK

A summary of significant trends affecting income prospects in the country's 12 Federal Reserve districts, to-

gether with the Business Week Regional Income Indexes for most recent month, last month, and a year ago.



With bumper potato receipts and expanding job rolls at South Portland, Bath, and other boat-building towns, Maine's income gains are coming to the fore in this region. Of course, arms work is accelerating in many sections (BW—May 30 '42, p. 48), with 60% more factories building than last year and idle floor-space rapidly going back into production. But declining shoe and woolen activity has cut gains in eastern Massachusetts and Rhode Island, and conversion dislocations in clock lines at Waterbury and Bristol, appliances at Meriden and Winsted, and office machines at Hartford, have moderated Connecticut's upsurge.

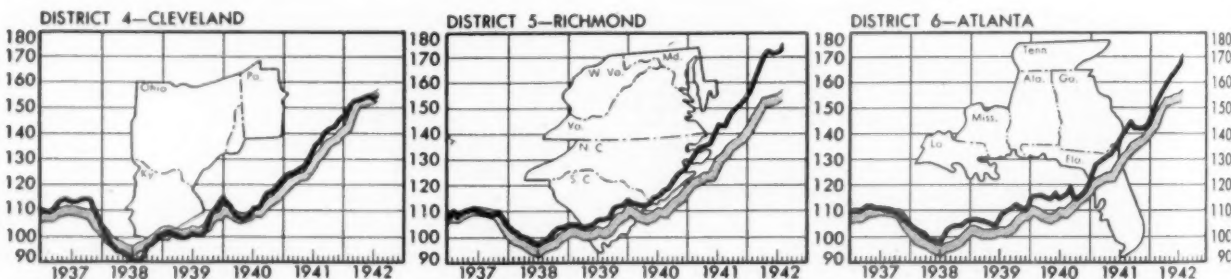
New Hampshire-Vermont resort trade is off, war awards few, and farm receipts, as in most of the region, laggard. However, the summer has been kind to pastures and hay, and some agricultural pickup is likely. All in all, district indexes should hover near average.

Despite redoubled efforts to obtain big war contracts for New York City, prospects there remain below-average. Apparel lines expect autumn volume to run below 1941's, and priorities-pinned manufacturing and white-collar employment still is on the downgrade, adding to the city's 400,000 unemployed. Even shipping activity has not created the stir first expected.

Elsewhere, war industry dominates. However, in New York state, payroll gains over last summer in Syracuse, Rochester, and Binghamton-Endicott just do not compare with those in above-average Buffalo, Utica-Rome, Albany-Schenectady, and Poughkeepsie-Kingston. In concentrated northern New Jersey, potentials vary less from town to town, and run near the nation's. Farm income still lags a bit, but pasture and hay—so vital to this area's dairying—are sharply improved over 1941, reducing feed costs.

Hirings in shipbuilding, aircraft, ordnance, and machinery still are lifting prospects above the nation's in Philadelphia and nearby Camden, Wilmington, Chester, etc. (BW—Jul. 11 '42, p. 52). But, except at such cities as Bethlehem (steel), Harrisburg (depots), Williamsport (engines), and now Atlantic City (40 hotels recently taken over by Army), income elsewhere is lagging, pulling over-all district indexes down.

As anticipated (BW—Jun. 6 '42, p. 52), anthracite output has dipped under 1941 levels in recent weeks. Activity in textiles, rugs, hosiery, leather, etc., continues to decline below last year's, cutting Reading, Scranton, Trenton, and Allentown payrolls. And Johnstown-Altoona heavy industries are just holding steady, limited by capacity. Crops and pastures are much improved, and farm receipts are up 35% in a year; but gains here still trail the nation's.



Plant awards are mounting and arms activity is sharply on the upbeat in this district, particularly in the trunk-line territory north of Pittsburgh-Columbus. Dayton and Canton are outstanding, and big gains are in prospect at other major centers—Cleveland, Akron, Toledo, and Erie. Lorain, Sandusky, and Marion, Ohio, and New Castle and Farrell, Pa., rank high among the smaller cities, and Ashtabula and Newark, Ohio, are now slated for aluminum expansion.

To the south, potentials moderate. Pittsburgh and Cincinnati payrolls are steadily rising, but coal mining is just holding its own, and industrial acceleration in eastern Kentucky and southeastern Ohio is relatively minor. Rather, towns are losing workers to larger centers in the north. Gains in farm income and over-all livestock production have lagged a little, and the crop outlook is not exceptional.

Bigger Carolina crops promise autumn income boosts there. Sharpest jump is in South Carolina's cotton, up more than 100% from 1941. North Carolina's crop will be up 25%, and tobacco 10% to 15%. Receipts thus far have paced the nation's, and livestock products in northern states of the district should buoy returns in coming months. Farm labor shortages are intensifying, but have not yet restricted agriculture seriously.

Arms payrolls continue to boom at Baltimore and Hampton Roads, and government jobs at Washington. Elsewhere, industrial expansion—in textiles, coal, lumber, etc.—is moderate. But, military projects are creating numerous "hot spots" throughout the Carolinas and Virginia—for instance, New River, Cherry Point, and Durham, N. C. Trade is running best in the northeast part of the district, and "slowest" in West Virginia; and the Carolinas are promising.

Outstanding new development is the jump in cotton. With the biggest gains in Louisiana and Georgia, the 1942 pick is estimated some 35% larger than last year, adding thereby nearly \$100,000,000 to cash income. Sugar-cane, tobacco, and other crops are also up—peanuts in Georgia, Alabama, and Florida by 75%, or \$30,000,000 worth. Thus, receipts may outstrip the nation's over coming months in most areas.

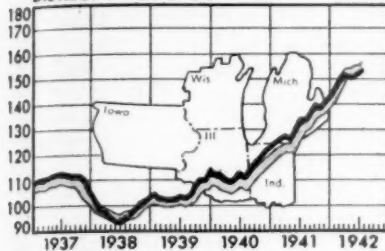
Military projects continue to flow into the district, which already ranks second in total such awards. Many towns like Brunswick, Ga., Biloxi, Miss., and Miami, Fla., are still on the upbeat. New war plants are less numerous, and the cancellation of the huge Higgins shipbuilding development has hit New Orleans prospects. Except in Alabama and at scattered arms "hot spots," gains in employment lag. Such basic lines as cotton are stable, and lumber is actually off.

Regional Income Indexes (July figures, preliminary; June, revised)

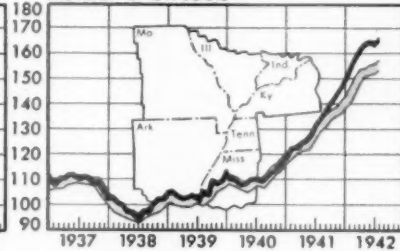
District	July	June	July, 1941	District	July	June	July, 1941
United States	157.6	156.1	133.1	United States	157.6	156.1	133.1
District 1—Boston	158.6	157.7	127.3	District 7—Chicago	154.2	153.7	134.4
District 2—New York	140.3	139.5	124.9	District 8—St. Louis	146.6	145.1	135.2
District 3—Philadelphia	143.3	142.8	126.4	District 9—Minneapolis	152.2	151.5	131.4
District 4—Cleveland	155.1	154.2	137.2	District 10—Kansas City	152.7	148.9	120.0
District 5—Richmond	175.1	172.8	143.9	District 11—Dallas	170.8	167.4	137.3
District 6—Atlanta	171.4	167.9	143.1	District 12—San Francisco	181.3	178.2	143.1

(Key to Regional Income Indexes, 1935-37=100: — United States; — District)

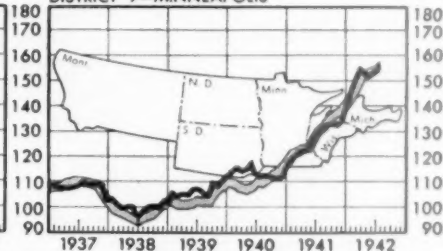
DISTRICT 7—CHICAGO



DISTRICT 8—ST. LOUIS



DISTRICT 9—MINNEAPOLIS



Schedules call for automobile and other converted durable-goods makers to boost war output as much by the year-end as since Jan. 1. This acceleration, together with expansion at new arms plants, will lift lagging payrolls, particularly in Michigan and Indiana (BW—Jul.11'42,p52). Of late, Milwaukee and Wisconsin boom towns like West Allis, Madison, and Manitowoc, have been heading the industrial advance. In Iowa, job rolls are spurting at Des Moines, Burlington, and Waterloo; gaining steadily at Sioux City, Ottumwa, and Cedar Rapids; but lagging a bit at Muscatine, Dubuque, and Clinton.

Farm income, and prospects, continue ahead of the nation's. Most feed crops will be little changed, but hay and pasturage are better. Iowa, with its bumper corn and myriad profitable hogs, should lead gains in receipts. Michigan agriculture, as well as its industry, has been below average.

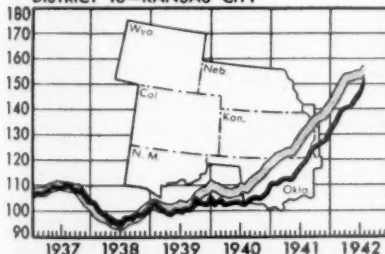
Income trends still are up. But the better-than-average cream is off the rise. Official reports confirm expectations (BW—Jun. 27'42,p59) that major crops—cotton, tobacco, corn—will be mostly unchanged from last year. And livestock output is barely up with the nation's. Farm-income gains of 40% over 1941 have been a bit below average, and receipts may continue to trail.

Industrial employment, however, is up more sharply—especially in many booming Arkansas towns; in St. Louis, where arm-makers will hire 30,000 more persons by the year end; and in Louisville, which also expects rapid additions to payrolls in the next four months, further war expansion is projected. Labor shortages are not yet severe, but many unboomed smaller towns in the north are losing population to the big centers. Curiously, Evansville job rolls are showing declines, instead of the town's anticipated jumps.

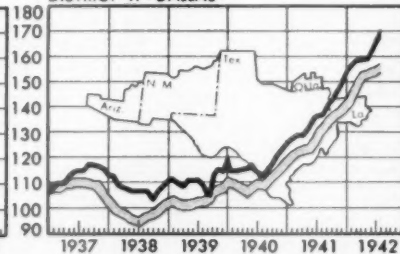
Continued gains in spring-wheat condition have boosted 1942 crop estimates to just about the bumper 1941 level. Feed crops also have gained; corn prospects are as good as last year's, 35% more barley and oats is forecast, and pastures and hay are better. This will further lift livestock products. Farmers still have fingers crossed on coming weeks' weather, but if prospects materialize, the gains will boost autumn farm income, especially in the Dakotas. Receipts there thus far have not attained Minnesota's 50% increase over 1941. Montana trails.

Iron ore mining is hitting new highs, and work on a new ore route will be a boon to Escanaba (BW—Aug.15'42,p18). Winter shipments also will help iron-range payrolls. War work is up in Minneapolis-St. Paul and Duluth-Superior. And northern summer resorts are relieved by the failure to impose national gas rationing.

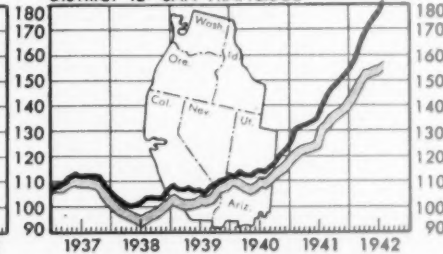
DISTRICT 10—KANSAS CITY



DISTRICT 11—DALLAS



DISTRICT 12—SAN FRANCISCO



Both agricultural and industrial gains are beginning to take hold here, boosting income payments sharply. Excellent summer weather promises bumper Kansas wheat, Nebraska corn, Oklahoma wheat, and other crops, adding many millions of dollars more to farm receipts which are already 50% larger than last year. Too, gains in egg, hog, and milk production are above average. And pastures are lush. So broad has been the farm improvement that all sections, whatever the specialty or its price, have shared about equally in the rise.

To round the picture, war awards in this interior region are mounting at a faster rate than the country's. And non-farm employment already has outgained the national average. Most armament plants and military bases have been concentrated in the eastern part of the district (BW—Jun.6'42,p52), but new projects are widening.

Cotton picking is swinging north through central Texas, and prospects now are for a 20% bigger crop than last year, although coming weeks' weather will be crucial. With ranges and feed crops also mostly in good shape, farm income should continue to pace the nation's. Livestock shipments have been up 25%, and poultry, dairy, fruit and vegetable, and wheat marketings have lifted receipts, especially sharply in the Panhandle and southwest Texas.

Arms expansion continues, the latest big award being for ships at Houston. But, training projects are the big boon here, and new ones are scheduled for Bryan, Pampa, Childress, and Temple—in the central and western part of the district where several recent contracts have been going. Oil activity still is off, and probably will continue to decline slightly. But over-all prospects are good.

Soaring aircraft and shipbuilding still overshadow petroleum, mining, lumbering, canning, and most other industrial lines, which are running fairly stable. As a result, coastal war areas, from Seattle to San Diego, are leading this district's income advance, which is the sharpest in the nation. Among the inland cities, in addition to war-boomed Salt Lake City, Utah (ordnance), and Las Vegas (magnesium), such agricultural centers as Boise-Nampa, Idaho, and Phoenix, Ariz., also are outstanding.

For, farm income is above average, and apt to continue so. On top of other crop gains (BW—Jul.11'42,p52), rice, peas, beans, northwestern apples, and southern cotton will be larger than last year; hops and grapes will be smaller. But egg and milk output have not increased as fast as elsewhere, and pasturage and hay, though in good condition show no improvement over last year.

Small Stores Gain

Tire and gas rationing were expected to aid general store comeback, hurt chains. First figures point trend.

When four cylinders and a gasoline engine took the place of the horse and buggy, they revolutionized the American family's buying habits and the country's marketing pattern.

Increasingly, business went the way of big stores in big towns. In many communities, the old general store became only a shadow of its former self. **• Reversing the Pattern**—Since the country's buying habits have been so largely determined by the automobile, it's an obvious and easy assumption that if you take away the family car or limit its usefulness by cutting down on gas and rubber the buying pattern will revert to what it was a quarter of a century ago. Predictions that this would happen have been a dime a dozen ever since the beginning of gas and tire rationing. Proof, in the form of actual sales figures, has been much harder to come by.

Hence the interest in two recent surveys designed to throw some statistical light on the subject. One is by the A. C. Nielsen Co., market research firm which specializes in audits of food, drug, and liquor retailers. The other is by the trade publication, *Progressive Grocer*. **• Effect of Gas Rationing**—Employing its usual sampling techniques, Nielsen compared sales of grocery and country general stores in the gas-ration area and in the rest of the United States for two periods, February–March, 1942, and April–May, 1942. Nielsen's finding was that sales of all stores increased 9% in the gas-ration area between the two periods, 12% in the rest of the United States. But in the gas-ration area, smaller stores showed a much larger rate of gain, while larger stores lagged. In the rest of the country, sales gains were much more evenly distributed. Here are the figures:

Size of Store *	Percent Gain	
	Apr.-May vs. Feb.-Mar., 1942	
	Gas-Ration Area	Remaining U. S.
Over \$100,000.....	5%	7%
\$50,000-\$100,000 ...	5	14
\$10,000-\$50,000	11	14
Under \$10,000	23	12
All stores	9	12

* Annual dollar volume

• Supermarket Tire Troubles—Nielsen points to the lag in sales of supermarket-size stores (over \$100,000 annual dollar volume) in unrationed areas as well as rationed areas as a possible indication that tire as well as gas rationing is beginning to tell on the stores that draw their customers from a wide area.

To all of its findings, however, Nielsen appends many ifs and buts. Notably, the firm points out that while tire and gas shortages may tend to pull customers away from large, centrally-located stores and toward small country and neighborhood grocers, two other factors—price and adequacy of stocks—eventually may tug in the opposite direction. On both these scores, Nielsen gives the edge to larger stores.

In a survey of prices on 14 items on Apr. 1, the research firm found prices highest in small independent and country general stores, lowest in corporate chain outlets and supermarkets.

• Magazine Weighs Reactions—*Progressive Grocer's* survey, published in the August issue, covers only some 500 independent stores in the 17 gas-rationed states and does not pretend to the same statistical refinements as Nielsen's. In general, however, the findings are simi-

lar. Of all the stores queried by the magazine early in July, 45% reported that gas rationing had helped their sales, 15% that it had harmed them; 40% reported no effect. Here is the breakdown by size of store:

Number of Employees	Percent of Stores		
	Helpful	Harmful	No Effect
4 or less.....	45%	14%	41%
5 to 10.....	49	15	36
11 or more...	32	27	41
All stores	45	15	40

By size of town, these are *Progressive Grocer's* findings:

Size of Town	Percent of Stores		
	Helpful	Harmful	No Effect
Under 1,000 ..	57%	15%	28%
1,000-2,500 ...	51	13	36
2,500-5,000 ...	36	20	44
5,000-25,000 ..	41	10	49
25,000-100,000.	38	21	41
Over 100,000 ..	52	16	32

• Exceptions to the Rules—Thus grocers in small towns and large cities would appear to have benefited from rationing, while those in what the magazine terms "county seat" towns—medium-sized towns and smaller cities which customarily drain a wide marketing area—seem to have suffered. Like Nielsen, however, *Progressive Grocer* points to many factors other than store and city size which modify the effects of rationing in individual cases—local competitive conditions, the general prosperity of the area which may be benefiting from war contracts or suffering from priorities, unemployment or the slump in travel.



MEDIUM RARE

A small packing plant in Topeka, Kan., which before the war had exported almost its entire output of meat to France and Belgium, last week exhibited its choicest product—coarse ground horse meat, frozen and packaged—at the Retail Meat Dealers' convention in Chicago. When war cut off Hill Co.'s European markets the firm quickly switched to supplying frozen horse meat to fox farms and to packing canned dog food—much of which didn't go to the dogs. A No. 1 size can of government-inspected meat at less than 10¢ (at times it sold for as low as six cans for a quarter), Hill's dog food is regarded as a bargain by thousands of poor families in low-income areas. The new 15¢ package of chopped fresh horse meat bears directions for serving in the best European styles.

Prunes Go It Alone

California growers vote against renewing their prorate program because they're doing fine without any help.

Lost in the shuffle of news on government buying of farm products is the effect such buying is likely to have on the various marketing prorate programs set up so laboriously in several states. The California prune growers' prorate group, for instance, established under that state's pioneer Agricultural Marketing Act, is quietly preparing to fold.

• Group's Activities—Officially known as the Prune Prorate Zone No. 1, with headquarters in San Francisco and a staff of marketing specialists, it has spent directly about \$500,000 in advertising prunes during the last few years and, through tieups with other food advertisers like cereal manufacturers has promoted another \$500,000 worth. It has set standards of quality which kept off-grades from escaping to market, and has nursed the growers along during the lean years when they were submerged in surpluses and discouraged by low prices.

Under the California prorate law, a

marketing program can be established for any crop if a majority of the interested growers vote for it. Last June, the State Department of Agriculture took the usual vote among prune growers on the proposed 1942 program. Of the 8,500 growers only some 2,150 took the trouble to register their opinion, and the proposal lost by 14 votes.

Apparently, the prospect that the government will buy 80% of the prune crop this season at prices above anything the growers have received for many years (BW—Jun. 6 '42, p. 69) led many California growers to ignore the issue.

• **Other Programs May Go**—While it is too early to discover whether action of the prune orchardists will put an idea into the heads of the growers of other crops which have been operating under state prorate programs, it may well be, according to California farm observers, that because prices are high and surpluses practically nonexistent, many programs now in force won't be renewed when they run out.

ADVERTISING FOR WAR

What may well prove to be the biggest coordinated advertising campaign yet in behalf of the war effort got its start last week when sundry members of the drug, cosmetic, and allied trades met in New York City at the behest of such industry leaders as Harold Thomas of the Centaur Co., Lee Bristol, of Bristol-Myers, and Jim Hill, of Sterling Products.

The plan presented at the meeting follows the general outline drawn up by the Advertising Council (the advertising trade's liaison with Washington) for industries prepared to cooperate with the government in promoting specific phases of the war program (BW—Jul. 4 '42, p. 69). With Secretary Morgenthau's blessing, the drug and cosmetic companies will concentrate on war bond promotion.

The 280-odd leading manufacturers in the field have been asked to contribute radio time and advertising space in magazines and newspapers equivalent to 5% of their 1941 expenditures in these media to the campaign. Copy will be approved by the Advertising Council, and drawn up by four agencies—Benton & Bowles, Pedlar & Ryan, Ruthraff & Ryan, and Young & Rubicam.

Companies like some of the big "ethical" pharmaceutical houses which spent most of their advertising money last year in indirect promotion will contribute cash to buy advertising space and radio time to supplement the schedules of individual manufacturers.

The big advertising campaigns on general salvage and fats and greases are being handled primarily through existing trade associations (BW—Jun. 27 '42, p. 20). A special group, the Drug, Cosmetic, and Allied Industries Committee, will supervise the war bond promotion.



NEW WINGS for Production

Photograph Courtesy of
Eclipse Aviation Division
of Bendix Aviation Corp.

American aviation knows that nothing short of a "production revolution" can build an air armada overnight!

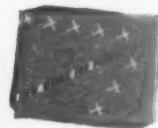
In this crisis, aviation engineers have been quick to remember a new type of machine tool created by Delta engineers during the past 14 years. Adaptable, portable, stripped of every useless ounce, these new fighting-trim Deltas outperform ponderous machines costing three to four times as much.

In units, batteries and special set-ups that obviate the need for building special machines, stock model Deltas have been rolled into aviation production lines.

Today—in the leading airplane factories of North America and Britain, you'll find these stripped-for-action Delta machines boring, sawing, grinding and cutting metal for the air fleets of Democracy—helping give new wings to production!

Send For This Free Booklet

"New Wings for Production" shows dramatically how one industry—aviation—has helped meet its production crisis by the liberal use of DELTA-Milwaukee low-cost machine tools. Write for FREE copy today. The Delta Manufacturing Company, 965 East Vienna Ave., Milwaukee, Wis.



DELTA MILWAUKEE

World's largest manufacturers of low-cost, high quality drill presses
• grinders • abrasive finishing machines • cut-off machines • circular
saws • band saws • scroll saws • lathes • jointers • shapers

PRODUCTION

Lean Alloys Gain

Manufacturers' success in adapting production processes to NE steels bids fair to result in changed postwar standards.

Steel experts who know their way around the alloy field are currently saying that without universal adoption of the National Emergency NE lean-alloy steels (BW-Jun.27'42,p78) we cannot fight the war successfully. They assert flatly that there just is not enough chromium, nickel, manganese, or molybdenum to go around on the old basis of using alloying metals liberally according to the individual ideas of the designer.

• **Educational Sessions**—To spread the gospel of the NE alloy steels, and at the same time to convince any doubters in terms of specific results, the War Pro-

duction Board has fostered a series of key-city meetings under the auspices of local chapters of the American Society for Metals. In these sessions, mill and metal-working metallurgists discuss progress, prospects, and shop practice in use of the lean alloys. In the immediate past were meetings at Newark, Cincinnati, and Chicago. Coming up are Cleveland and St. Louis.

Practically everyone connected with the lean-alloy program is jubilant that it has proved even better than fondest original expectations.

• **Manufacturers Cooperate**—The NE lean alloys have been available on a production scale for only a few months, but already the great majority of manufacturers are cooperating fully and—say the experts—intelligently in their use. Trade size-up of the relatively few die-hards who hold out for the old standard and special high alloys is that they are honest but as yet unenlightened.

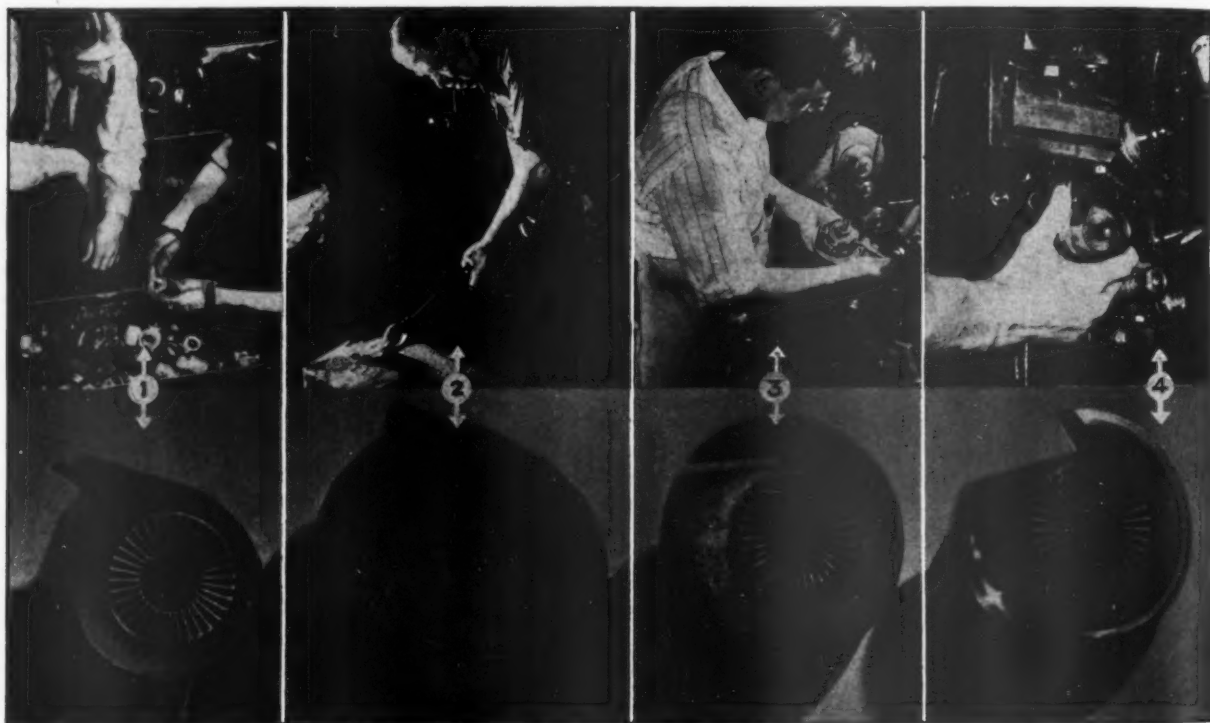
If the NE alloy steels are soon adopted as widely as is urged by their

protagonists, the statisticians are confident that this country will continuously have plenty of critical alloying metal.

• **Getting Results**—Reports are reaching Washington daily from manufacturers who are getting results just as good as any achieved previously with standard or special high-alloy steels. Many of the larger munitions makers, such as Chrysler, General Motors, and International Harvester, have incorporated the NE steels in their war products.

Hundreds of smaller shops have been getting happy results with tryout or production shipments of NE steels from steel warehouses.

• **Ryerson's Questionnaire**—Joseph T. Ryerson & Son, Inc., biggest of the warehouse steel merchants, has been cooperating with the WPB's program by sending out with each NE steel purchase a questionnaire that asks the purchaser to report all salient facts: part made from this NE steel, with drawing if necessary to a clear understanding; what standard alloy was previously used and which NE steel now; what changes in design and heat treat cycle were required; results and general comments on the NE steel and its effect on total production costs. Practically without



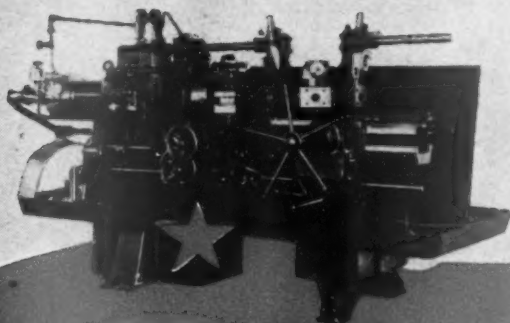
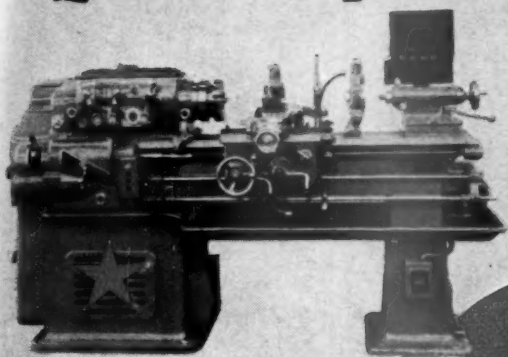
SAVED FROM SCRAP

A year ago when stocks of tungsten steel appeared to be unlimited, a tool reshaping process now employed at the New Departure Division of General Motors (Bristol and Meriden, Conn.) would have been deemed wholly impractical, but today the

story is quite different. (1) Now salvage experts examine all worn tools which were formerly scrapped and send certain types—a high-speed tool from an automatic screw machine (1), for instance—to the reshaping department. (2) After the tool is softened by annealing, it is reheated and steam-hammered into a new thinner shape—

a tool blank. (3) Following hardening and tempering, the piece is finished in a machine shop and checked with a micrometer for exact dimensions. (4) Good as new, but in a smaller size, the tool is reinstalled in an automatic screw machine once more and takes up where it left off turning out bearing rings.

Quietly and Unseen★



CENTURY MOTORS
power the precision production
of thousands of machine tools



Century
MOTORS

One of the largest *Exclusive*
Motor and Generator Manu-
facturers in the World.

Century Motors are the unseen dependable servants of thousands of operators of machine tools engaged in War production. Because of their unusual freedom from vibration, Century Motors do not handicap the precision of the machine tool.

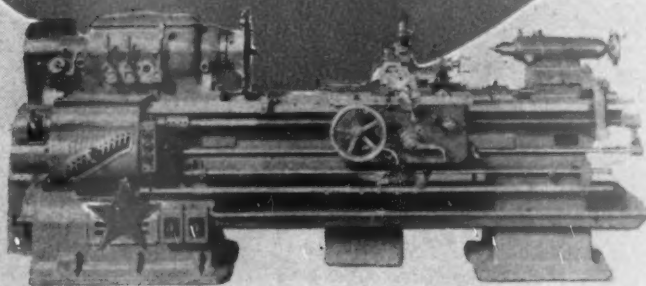
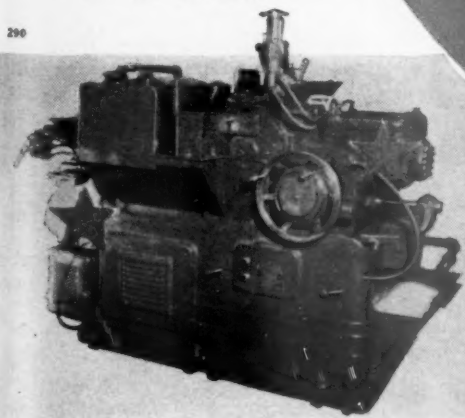
From the largest machines involving heavy shock loads to the smallest of precision machine tools, you'll find Century Motors standing the gaff of continuous, 3-shift duty — they are engineered to meet the demands of such service.

The wide range of Century Motor types and sizes can well save you time and money by simplifying proper motor selection. For assistance in the quick solution of your motor problems, call in your nearest Century Motor Specialist without delay.

CENTURY ELECTRIC COMPANY

1806 Pine Street St. Louis, Mo.

Offices and Stock Points in Principal Cities



A MILLER Message inspired by WPB's helpful handbook, "Plant Efficiency."



HOW MANY "Squinting Same" IN YOUR PLANT?

Can your men see clearly and sharply . . . at all times, on all jobs? Does your plant have adequate lighting for fast, precision war production? Don't "light-starve" your workers . . . give them real working daylight from a MILLER Continuous Wireway Fluorescent Lighting System.

WPB says better lighting brings these benefits . . . 1— Increased production; 2— Better workmanship; 3— Continued production by older employees; 4— Less eyestrain; 5— Reduction in accidents; 6— Better morale; 7— Better housekeeping."

In war plants from coast to coast the MILLER Continuous Wireway Fluorescent Lighting System is now delivering such benefits.

MILLER 50 FOOT CANDLER or 100 FOOT CANDLER will provide your plant with fine, man-made daylight . . . adequate, productive illumination evenly distributed over every working surface. MILLER TROFFERS will duplicate that performance in your plant offices and drafting room.

MILLER, by virtue of almost 100 years of lighting experience, working with all types of light sources . . . filament, mercury vapor and fluorescent . . . can give you exactly the lighting equipment you need today, engineered to the "seeing" tasks of your kind of business, and constructed to effect savings in critical materials in line with WPB requirements.

A MILLER field engineer (located near you) is available to assist you in the planning of the proper lighting layout for your plant and in every other way possible. For prompt action, write or wire us today.

BUY U. S. WAR BONDS

MILLER
50 FOOT CANDLER
100 FOOT CANDLER
MILLER TROFFERS
Continuous Wireway Fluorescent
Lighting Systems

THE MILLER COMPANY
MERIDEN, CONN.
Pioneers in Good Lighting Since 1894
• MILLER offers a complete line of
filament and fluorescent lighting equipment.

exception, these users report that the lean alloy is doing as good a job as the higher alloy did, that no design change was made, that the heat treat is either identical with that previously used or else conforms with the recommendation accompanying the shipment, and that total production costs have not been affected.

• **Data Sheet**—No doubt contributing to this uniform success is the heat treatment data sheet which some warehouse merchants are sending out. This is prepared from shop and laboratory tests of each heat of NE steel received, so that the user may have some practical shop guidance.

Consensus of both mill and machine-shop metallurgists who have worked with the NE steels is that the heat treating is the only really critical point in getting top-level results from these wartime substitutes. Given absolutely accurate heat treating, the lean alloy can be counted on to give performance identical with higher alloy steels. If, however, the heat treat is too far off the specified limits, the finished product will not meet the requirement.

• **What It Means**—It was this need for good work in the heat treat department that left misgivings in the minds of some of the technicians who helped to develop the lean-alloy program. The spectacular success of the NE alloys, mill contact metallurgists point out, should not be misinterpreted as meaning that previous high-alloy trends were incorrect in the happy days when alloying metals were plentiful. Rather, they say, it proves that heat treat technique, even in the smaller plants which lack metallurgical laboratory control, is on a generally higher level of accuracy than the experts believed.

Postwar consequence of this discovery by both industry and steelmill men may be epochal. Product designers may well incline to provide little margin of safety to compensate for careless heat treating. In the future, they may confidently get required results by specifying smaller parts or else by using lower alloys.

• **New Viewpoint**—As originally developed, the NE program scheduled 16 steels in the 8,000 series, giving a complete range from a carburizing grade to a high-hardening grade. On the strength of experience to date, Washington now inclines to consider that many of these 8,000-series NE steels are the real front-line alloys.

Hereafter, the previous high-alloy steels are likely to be placed in a super-duper special class by themselves, for use in only the most critical applications—e.g., airplane motor parts, highly-stressed parts of big guns, and suchlike.

• **Still Leaner**—Inevitable corollary of this thinking is the development of a new schedule of still leaner lean alloys, for less critical applications. Conse-

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quently, WPB has the Technical Com-
mittee of the American Iron & Steel
Institute designing new groups of alloy
content lower than the 8,000 groups.
The 9,400 group has already been an-
nounced, and the 9,500 and 9,600
groups are unobtrusively in the wind.

The 9,400 group, even as the 8,000
groups, has a complete range from a car-
burizing grade to a high-hardening.

• **Contains Silicon**—Unlike the earlier
NE steels, it contains a substantial per-
centage of silicon. Alloy content of
the 9,400 group is: chromium .20-.40%,
nickel .20-.40%, silicon .40-.60%, mo-
lybdenum .08-.15%. The carburizing
grade will run .80-1.10% manganese;
the .30% carbon grade will carry .90-
1.20% manganese; the .40% carbon,
1.00-1.30% manganese; the .50% car-
bon, 1.20-1.50% manganese.

So far, no results of tests on the 9,400
group are published, but heats have
been made and tests are in progress by
mill metallurgists and by the A.I.S.I.
technical committee.

• **Sphere of Usefulness**—Hardenability
of this series with about .35-.40% car-
bon indicates that it will probably be a
very satisfactory substitute for the me-
dium-hardening grades such as S.A.E.
5135, which contains 1.90% of critical
alloy metals as compared with .71% in
its NE opposite number, 9440. As soon
as these steels are available, the major
warehouse steel merchants intend to
have them in stock.

With the development of satisfactory
experience with the 8,000-series lean al-
loys, it is getting progressively tougher
to wheedle high-alloy steels out of WPB.

• **Procedure**—Nowadays certification of
the end use for any alloy steel must
accompany the order to the mill. The
mill must, in turn, requisition Washing-
ton for permission to produce this alloy.
And until pretty complete proof of un-
avoidable need is submitted, the WPB
boys simply withhold the green light.

Ethyl "Rubber"

New cotton-alcohol plas-
tics developed by Hercules Pow-
der Co. for uses from fruit jar
rings to insulation in bombers.

Several months of research and accel-
erated tests lie behind the proposal of
Hercules Powder Co. to replace as much
as 60,000 tons of natural rubber with
new and resilient forms of ethyl cellu-
lose plastics developed at its Wilming-
ton (Del.) laboratories.

• **Less Bounce**—The new ethyl rubbers,
as they will undoubtedly be nicknamed,
won't go into automotive tires and tubes
because they lack about one half the
bounce, or resilience, of rubber. But
one of them will make Mason jar rings



THERE GOES A *Million Turns* OF VICTORY PRODUCTION WHEELS

POWER drives come before power
dives — wheels must turn a million
times before fighting planes can fly
and bombs can drop.

Dodge pulleys, turning at the vital
point of power takeoff on revolving
shafts, fulfill Victory's need for every
ounce of power in action. They are
built to provide full belt contact —
to stand up under today's continuous
service demands — without time-wasting
breakdowns or power dissipation that in-
vites defeat. Design prevents power loss
through slippage — permits low tensions
— extends belt life — maintains higher

levels of unbroken peak production.

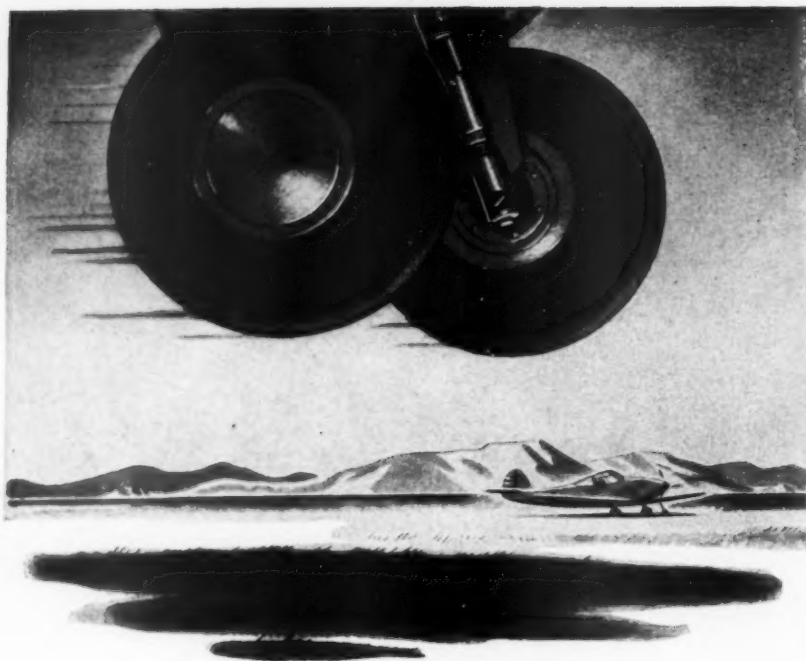
The pulley is an important unit in the
Dodge complete line of power transmis-
sion equipment that provides industry
with "The Right Drive for Every Job."

Dodge power transmission appliances
— D-V drives — sheaves — bearings
— clutches — pulleys put all the power
in the job. Dodge distributors offer
their local stocks and services to in-
dustry — assisting in modernization —
checking performance — extending
equipment life.

DODGE MANUFACTURING CORPORATION
Mishawaka, Indiana, U. S. A.



THE RIGHT DRIVE FOR EVERY JOB



WHAT IS AN IMPACT ACTUATOR?

WHEN an airplane crashes, an odd thing happens. A device that helps save the plane springs into action!

This device is the Kidde Impact Actuator. It acts automatically in the split second that separates safety from disaster. For example, it releases fire extinguishers at the exact instant of impact. Only an actual crash can trip the Actuator. Normal operating shocks, and hard landings have no effect.

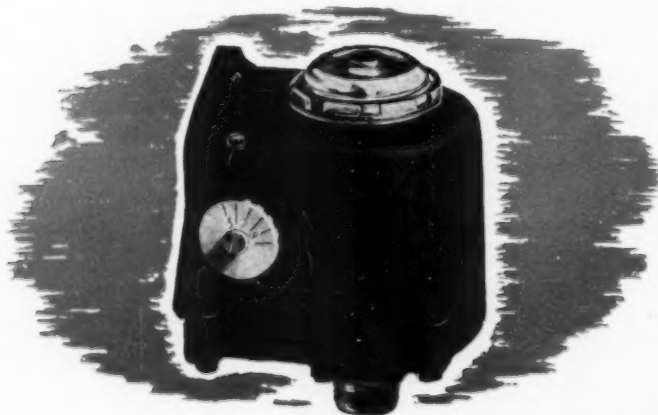
Newly developed, the Kidde Impact Actuator meets difficult specifications. The crash force operates an electrical switch which actuates extinguishers, disconnects fuel lines, shuts off electrical circuits, does

other jobs which can be handled by a switch or valve.

Walter Kidde & Company, peacetime maker of Kidde* carbon dioxide fire extinguishers, now aids war effort by producing such products as airplane flotation gear; life vests; oxygen-breathing cylinders, valves; vapor dilution systems; marine smoke detecting, extinguishing systems; inflation equipment for "rescue rafts". (Because these products keep us busy, we cannot fill low-priority orders for industrial fire extinguishers.)

If you have a war-product problem which Kidde Impact Actuators will solve, write us. We'll help work it out.

*Formerly known as "LUX" extinguishers



Kidde  **Walter Kidde & Company**
Incorporated
824 West St., Bloomfield, N. J.

durable and flexible enough for the most meticulous home canner. Another will waterproof fabrics for military tents, gun covers, gas masks, rain coats, and such civilian items as baby pants.

Still others will replace rubber in garden hose, footwear, surgical tape, electrical tape, rubber gloves, gaskets and washers, hospital sheeting. Ethyl plastic closure seals for commercial canning in glass are possibilities for certain kinds of vegetables and fruits.

• **For Subzero Work**—Unlike natural rubber, the ethyl plastics do not harden and crack at the subzero temperatures, down to -70 F, frequently encountered by high-flying bombers. Therefore, many miles of electrical wiring in bombers are already getting insulation of this type.

In addition, you will find ethyl plastic tubing replacing brass, copper, and other metals in many kinds of oil, water, and gasoline lines. Although the materials are thermoplastic and begin to soften at elevated temperatures, certain formulations surpass rubber in heat-resistance.

• **Cotton Product**—Like the harder and more familiar forms of ethyl cellulose which for several years have been molded, extruded, rolled, and formulated into transparent sheets for packaging, refrigerator parts, radio cabinets, paints and lacquers, costume jewelry, automotive parts, and so on, flexible ethyl is a chemical product of cotton, salt, and alcohol.

More specifically, it is produced out of either cotton linters or wood pulp, caustic soda and chlorine derived from common salt or brine, and ethyl alcohol of either the natural type which is fermented from grain, molasses, and other farm products or the synthetic type which comes from natural gas. Raw materials should be as plentiful as any materials can be under a war economy.

• **Control Factors**—According to L. N. Bent, Hercules vice-president, the secret of ethyl cellulose plastics in various degrees of flexibility lies in the controlled use of various oil and chemical plasticizers—oils of corn, cotton seed, castor, and soy; animal oils; proprietary chemicals like Aroclor 1260, Fractol A, Hercolyn D, Opalwax, Paraplex RG8. Admixtures of tricresyl phosphate, chlorinated diphenyl, or chlorinated paraffin render the plastics flameproof, a quality never achieved with natural rubber.

Some of the new formulations equal and even excel rubber in tensile strength, abrasion resistance, resistance to ozone, and impermeability to gases and liquids, if not in bounce and stretch. A new ethyl cellulose golf ball, which won't be ready for public sale until next year, is reported to have been adjudged "93% as good as rubber and balata" by a well known professional who knocked four strokes off par with one on a championship course.

• **Competitors**—Up to now, practically all the competition Hercules has had

for the ethyl cellulose products of its big Hopewell (Va.) chemical cotton plant, has come from the similar products of Dow Chemical Co., Midland, Mich.—Ethocel molding compounds, sheets, shapes, and varnishes; Ethofoil transparent packaging material. Nixon Nitration Works, Nixon, N. J., is prepared to furnish similar “ethyl rubber.”

Shortly, moreover, Celanese-Celluloid Corp., New York, will announce its entry into the ethyl cellulose field with “Lumarith EC” in all degrees of flexibility, resistance, etc., and in every transparent, translucent, and opaque color.

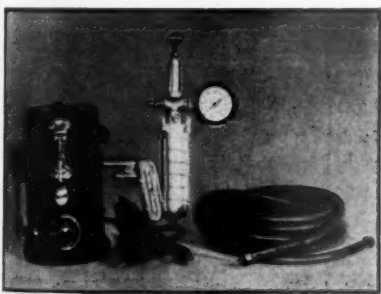
COALS COMPARED

Typical analyses of coal found in each commercially important bed in all the coal-producing counties of the United States (including Alaska) are assembled in a new booklet by the Bureau of Mines. Comparative tables show the heating values of the various coals (expressed in British thermal units), ash, moisture, and sulphur contents, fixed carbon, and volatile matter to guide experienced coal buyers in the procurement of their winter's supply and new buyers as they make the changeover from oil to solid fuel. Title of the booklet is “Typical Analyses of Coals of the United States,” Bureau of Mines Bulletin 446, obtainable only from the Superintendent of Documents, Government Printing Office, Washington, 10¢.

NEW PRODUCTS

Metal Sprayer

Unlike most metal-spraying outfits, which blow atomized bits of metal melted from the end of a heated wire to



metallize surfaces of various kinds, the new trigger-controlled Alloy-Sprayer has an inbuilt, electrically heated melting pot with 12-cu.in. capacity. It is particularly recommended for reproducing molds, making templates, spotting and checking dies, etc.

Manufactured by Alloy-Sprayer Co., 2040 Book Bldg., Detroit, the device comes complete with controls and connections for electricity and air. It will melt and spray any neutral alloy with a

It has to click with the man on the machine



After all, it's the machine operator who must use the equipment. That's why conferences like this, around the drawing board, are common practice in the **HECKER** organization. Win the operator's approval of a tool design and you've gone a long way toward assuring top quality, high-speed production.

HECKER tool engineers are always in intimate contact with production men and machines. Many of their designs go to work right here in our own plant. You see, in addition to being designers and builders of tools, jigs and fixtures, **HECKER** also fabricates precision parts for the country's leading airplane manufacturers.

HECKER tools, jigs and fixtures will do for you what they're doing for us—help you keep abreast of heavy wartime schedules. **HECKER** will design a single jig or lay out an entire tooling job for you. For this help, write to A. W. Hecker, 1974 East 66th Street, Cleveland, Ohio.

**A-W-
HECKER**

DESIGNERS AND BUILDERS OF TOOLS, JIGS
AND FIXTURES • • • FABRICATORS OF AIRCRAFT PARTS



There Go the Marines in Action . . . Protected by Diebold Armor Plate!

**THESE DIEBOLD BUSINESS TOOLS
SAVE TIME, SPACE AND MANPOWER
FOR AMERICA'S BUSINESS**



Cardineer

Rotary Files

A wheel brings up to 6,000 records to operator's finger-tips. Saves Time. Saves Space. Lowers cost per record.

Revelindex Reference Files

The wheel record system that speeds up reference work—pricing, coding, shipping etc. Portable. Compact.



Diebold's great plants are busy constantly producing armor plate—especially processed sheets of hardened steel—to protect our boys in airplanes, tanks and behind the guns on the battle fronts of the world. That's our big job in this war. But, along with it, we're still producing equipment to house and protect priceless records for office and plant.

Undoubtedly our most valued business device right now is the Diebold Cardineer—a flexible, compact wheel-of-records that can put up to 6,000 cards at the instant finger-tips of the operator. Great war plants everywhere are using Cardineers, singly or in batteries, to conserve space—to save time—to simplify vital records. This portable Cardineer is as essential in modern office record-keeping as is adequate light in a factory.

Diebold also meets the increasing problem of protection of valuables from fire, bomb or theft by suggesting fire-resistive safes, vault doors, Electric Rekordes Safes and many other devices to save time and money. Whatever your problem of office records, put it up to our Methods Department. From long experience, they can suggest answers to most any question involving record-processing or protection.

DIEBOLD SAFE & LOCK COMPANY • General Offices: Canton, Ohio

**METHODS EQUIPMENT • SAFES • MONEY CHESTS • ELECTRIC
REKORDESK SAFES • BANK VAULTS • OFFICE ACCESSORIES**

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Offices in: New York, Chicago, Detroit, Philadelphia,
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DIEBOLD

DIEBOLD BUSINESS TOOLS PROTECT AND HOUSE AMERICA'S WEALTH AND RECORDS

melting temperature of 600 F. or under, has two rates of spraying: one fairly slow for work requiring the precise reproduction of fine detail; the other for laying on comparatively large amounts of metal for "backing-up" purposes.

Portable Raid Alarm

Large and powerful as some of the public air raid sirens are, there are bound to be "dead spots" where their warnings



cannot penetrate—such as forge shops, heavy machine shops, department store fitting rooms, office building elevators. For such difficult-to-reach locations, Barr-Erhardt, 205 W. 19th St., New York, is bringing out the new Victory Portable Air Raid Signal of the siren type. It operates on dry batteries and has an estimated life of 30 hours. Since it weighs only 20 lb., it can be carried easily to places and people requiring special attention.

Packaging Mandrel

To facilitate the insertion of cellophane pouch liners into large cartons, Pack-Rite Machine Corp., 828 N. Broadway, Milwaukee, is ready to make prompt deliveries on the new Pack-Rite Expanding Mandrel. You slip a pouch over the top of the device, step on a self-locking pedal which expands the pouch to full capacity, and drop the carton over the pouch. A touch on a knee lever releases the lined carton, ready for filling with frozen or dehydrated foods, powdered milk, vegetable or animal shortenings, mechanical parts, whatever-you.

Industrial Cutting Oil

Eight different properties of various animal oils (whale, hog, fish, etc.) have been synthetically reproduced and blended with mineral oil by Gulf Oil Corp., Pittsburgh, to produce Cut-Aid Cutting Lubricant for use in the machining of aluminum, magnesium, and other nonferrous alloys. Several tests are cited to support claims to its value in promoting long tool life between regrinding and high standards of machining performance in the production of parts for output of airplanes, military tanks, and guns.

LABOR

NWLBChallenged

Aluminum workers, denied pay boost, are polled on strike in seven Alcoa plants. Appeal to President held likely.

Employees at seven plants of the Aluminum Co. of America were polled this week by C.I.O.'s Aluminum Workers Union on whether to strike or not to strike. The balloting was touched off by a National War Labor Board decision which held that, because Alcoa employees had received wage increases aggregating 15% since January, 1941, they were entitled to no further pay adjustments.

• **Test of NWLB Prestige**—The expected majority in favor of a strike will not mean that the Army and Navy's worst fear—a stoppage of vital aircraft metal output—is about to be fully realized. It may come to that eventually, but Washington's immediate concern is with the possibility that disgruntled Alcoa employees may wreck NWLB and its painfully created labor peacemaking apparatus.

Still fresh is the memory of how

NWLB's predecessor, the ill-fated National Defense Mediation Board, met its doom. It was rendered impotent by a C.I.O. boycott which followed a refusal to give the United Mine Workers Union a union shop in the captive coal mines (BW—Oct. 25 '41, p. 14).

• **Pay Not Substandard**—The aluminum workers asked for a \$1 a day pay boost and really counted on getting 40¢—a sum which would have brought their minimum 73¢ an hour up to steel's 78¢. NWLB found that pay boosts over the last 19 months had compensated for the increased cost of living, and that aluminum wages were not substandard.

Maintaining that the board's calculations were wrong, and going off into a complicated argument about base pay and differentials, the union rejected the award and immediately called its officials into executive session in Pittsburgh. The Steel City all last week attracted a stream of Army and Navy officers, agents of the War Production Board, and various federal labor conciliators. Each of them urged the union and its president, Nicholas Zonarich, to go slow, to do nothing which would interrupt the flow of aluminum production. Zonarich was prevailed upon to take a strike vote, a lengthy procedure which it was hoped would postpone action by



Hoping to forestall a threatened strike vote which was later taken anyway by C.I.O. Aluminum Workers of America (because NWLB refused to grant a general pay increase), Army and War Production Board officials called

a conference which was attended by (left to right) Lt. Col. George E. Strong, procurement officer for the Army Air Forces, Nick Zonarich, president of the union, and Paul M. Hall of WPB.

The doctor who does Mrs. Jones's washing...



Mrs. Jones is through with washday arguments. She knows that laundries *do* get white shirts whiter, that garments done at the laundry *do* last longer.

Even more important... when it comes to *health*. Mrs. Jones finds her laundry plays the part of a doctor! For here is what she's discovered:

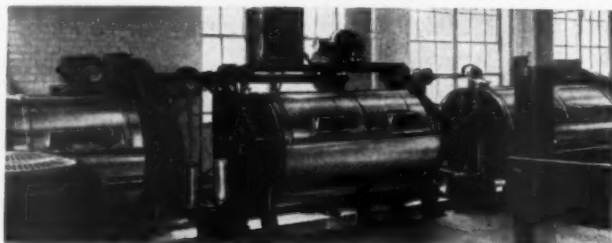
By using more water, controlled temperatures and two to three times the number of rinses than the average housewife, and careful checking throughout, the average commercial laundry reduces "bacterial count" to practically zero. The last rinse water according to a report of the *American Institute of Laundering*, has a lower bacterial count than the tap water used for drinking purposes in most of the cities included in one of their surveys.

According to this same survey, Mrs. Jones found, the final bacterial count in commercial laundering was only 1/5,000th of that in a cross-section of private homes.

A great aid to laundries in achieving this admirable health standard are washers, extractors and other equipment made of Monel. Corrosion-resistant, rust-proof, hard and smooth, this silvery metal is non-absorbent, easily kept clean and sanitary.

Incidentally, Monel washers effect substantial savings in power, water, labor and supplies. They thereby further aid the nation's war effort, as do countless other types of equipment made of INCO Nickel Alloys.

THE INTERNATIONAL NICKEL COMPANY, Inc.
67 Wall Street New York, N. Y.



Typical battery of Monel washers in use in a commercial laundry

INCO NICKEL ALLOYS

MONEL • "K" MONEL • "S" MONEL • "R" MONEL • "KR" MONEL • INCONEL • NICKEL • "Z" NICKEL
Sheet...Strip...Rod...Tubing...Wire...Castings

58 • Labor

rank-and-file hotheads, giving the membership a chance to cool off.

● **Effort to Bypass Board**—But, when the strike votes are in and tabulated, Zonarich will have to move. He has indicated that his first step will be to seek an interview with President Roosevelt. He will ask that the President override his board's judgment, and will caution that, if he doesn't, aluminum output will suffer.

If Roosevelt agrees to sit as a court of appeal over NWLB, most observers will bet that either the board's public and employer members (who accounted for the eight vote majority in the Alcoa decision) will resign, or that the board will become no more than a halfway-house in labor agitation which will see every important dispute carried to the White House. If Roosevelt doesn't agree to review NWLB's Alcoa award, Philip Murray and the C.I.O., which stands firmly behind Zonarich, would be forced to do some extraordinarily clever face-saving or to go through with the strike threat.

● **Go Ahead on M. of M.**—Meanwhile, in all Alcoa plants except the one in Cleveland, another part of the board's decision was being put into effect. It provided the board's now standard union security "compromise": maintenance of membership.

Taking cognizance of the series of Cleveland wildcat disturbances (BW—Jun.13'42,p85), which were led not by the Aluminum Workers Union but by another C.I.O. affiliate, the Mine, Mill and Smelter Workers which has recognition in the Cleveland plant, NWLB told Alcoa Cleveland employees that, until further notice, they could keep their jobs without paying dues to M.M.S.W.

● **Another Precedent**—The pointed exclusion of the Cleveland plant from the union maintenance order marks the first time an NWLB majority ever recognized a distinction between "good" and "bad" unions. That such a distinction should be made was first demanded by the employer members of the board, acting then as a minority, in the Caterpillar Tractor case (BW—Jul.11'42,p78).

Foremen's Union

Independent organized at Ford now has Chrysler unit and expects to go national after starting other Detroit locals.

The Foreman's Assn. of America, independent union born at the Ford Motor Co. earlier this year, is expanding. A second local has been chartered in Detroit, and at the DeSoto division plant of Chrysler Corp., and union officials indicate that additional locals will

Business Week • August 29, 1942

be announced shortly. The association came into existence, its members say, due to wage grievances. The foremen, working on a fixed-salary basis, saw men under their supervision earning more money than they, due to overtime pay scales and high rates for skill classifications. They didn't like it, and banded together to protest.

At one time in the late spring a strike of the Ford supervisory personnel seemed only a few hours off, but behind-the-scenes work by federal mediator James Dewey, who conferred with a union committee and Ford management officials, averted a walkout.

● **Expansion**—As inquiries from other plants began to filter into the association headquarters during June, the job of President R. H. Keys became a full-time affair. Organizing of the DeSoto local followed. E. W. Ross, organizer and membership chairman, is continuing to work at his Ford job, but is devoting an increasing amount of off-work time conferring with supervisory men of other plants. Membership, meanwhile, has grown to upwards of 6,000 men, the largest share at Ford.

Anticipating early charters in other Detroit plants, the directors of the association look forward to going onto a national basis. They report inquiries already at hand from Tennessee and Missouri plants, as well as several from outlying cities in Michigan.

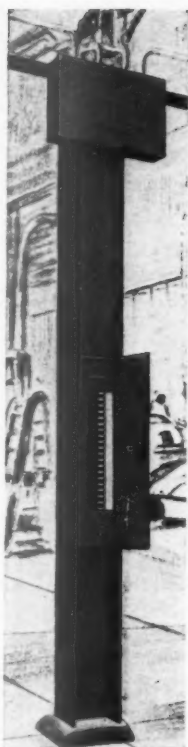
NLRB in High

Backed by War Labor Board, Wagner Act administrators set precedents in severity of rulings, number of cases.

"Answer the letters you get from a union," is the National Labor Relations Board's advice to employers; otherwise you may be guilty of unfair labor practices. This warning is implicit in the board's rulings against Crown Can Co. and Premo Pharmaceutical Laboratories, Inc.

The former was charged with ignoring a communication from an A.F.L. local which claimed majority representation of Crown Can employees and requested a conference; the latter with refusal to accept a registered letter carrying much the same text.

● **Decisions Hinge on Intent**—In the Crown Can case, NLRB held that the employer's failure to make a prompt reply was evidence of refusal to participate in collective bargaining as required by the Wagner Act. In the Premo case, the board ruled that the employer had a pretty good idea of the contents of the letter and argued that his refusal to accept the letter interfered with his employees' bargaining rights. NLRB's de-




Make use of Space Often Wasted!

Utilize that narrow space and save valuable floor and wall space. Where room is not available for a standard width panelboard, the



Type AC Circuit Breaker COLUMN TYPE PANELBOARD

is the answer. It may be placed between the flanges of an 8", 9" or 10" H column—between windows—or in any other narrow space. There it is conveniently located, out of the way.

Built of standardized units, the  Column Type Panelboard affords automatic protection against sustained overload, and prevents interruption of service from momentary overload. In the case of a short circuit, or sustained overload, service is quickly restored (after the cause has been removed) simply by moving the handle to the ON position.

Furnished for either single-phase, 3-wire, 115/230 volt or three phase, 4-wire 120/208 volt solid neutral service—with 4 to 42 single-pole branch circuits.

Ask for Bulletin No. 62

(Illustrated at left: Cat. No. NAC1BC-3L10—
Column Type Panelboard with
Wire Duct and Pullbox)



Douglas Fir Plywood helps build snug cabins in Kaiser Ships!

● There's no time lost in the construction of a Henry J. Kaiser Liberty Ship. Because Douglas Fir Plywood is so labor-saving, durable and easy to finish, it is used for the interior walls, ceilings and partitions of the officers' and men's quarters in these famous ships.

Douglas Fir Plywood office buildings and warehouses are also used extensively in the Kaiser Shipyards . . . just as they are by scores of war industries. Douglas Fir Plywood's large sizes, light weight, easy workability, puncture-proofness and many other advantages make it ideal for plant expansion, for employee housing and for speeding production.

Keep Douglas Fir Plywood in mind. After Victory, it may be able to serve you, too!

Stronger per pound than steel

Write for free Industrial Handbook, Engineering Handbook, construction data or technical assistance. Douglas Fir Plywood Association, 1628 Tacoma Bldg., Tacoma, Wn.

DOUGLAS FIR PLYWOOD

Real Lumber
MADE LARGER, LIGHTER
SPLIT-PROOF
STRONGER

cisions, though overshadowed by the National War Labor Board, are less challengeable now than ever before. Formerly, observance of NLRB orders was often held up pending court review. Recently, the National War Labor Board, which derives its authority from the war powers of the President, has told employers (in the Lebanon Steel Foundry case) that an NLRB ruling must be put into effect at once, that it is valid unless and until reversed by judicial authority.

• **How Case Came to NWLB**—In the Lebanon case, the company was in the process of appealing to the U. S. Supreme Court a decision of NLRB which had been upheld by the District of Columbia Circuit Court of Appeals. The war board docketed the case because a work stoppage threatened over the company's refusal to comply with NLRB's order during the appeal.



The company maintained before NWLB that NLRB and the Court of Appeals were in error and that it had "a right to have the U. S. Supreme Court review and make a final determination of this matter before the company actually puts into effect the order of the Court of Appeals."

• **Difference in Wartime**—In ordering Lebanon to comply with the NLRB order, the War Labor Board declared: "The company has no inherent right to a review of the decision of the Circuit Court of Appeals by the U. S. Supreme Court. That is a matter that rests wholly in the discretion of the Supreme Court, and that court has ample process to protect any rights of the company in the interim if it is moved to extend any such protection. Whatever may be the situation in times of peace, this board does not hesitate to exercise its authority

A NEW BOSS—THE ARMY

When Harry C. Dodge (left), president of the S.A. Woods Machine Co., Boston, refused to sign an agreement with the C.I.O.'s United Electrical Workers along lines recommended by the National War Labor Board, it wasn't long before the President took "appropriate action" by ordering the Army to take over the Woods plant. There was no interruption in production at the Woods plant but Dodge has been entirely relieved of his executive duties until such a time as management and labor can get together. Specifically, Dodge refused to incorporate in a contract a maintenance of membership clause, the board's standard union security formula.



to require the company to proceed with collective bargaining negotiations with the union in order to avoid interruption of work which might contribute to the effective prosecution of the war."

• **NLRB Hangs up a Record**—With such staunch backing from NWLB, the second quarter record of the seven-year old National Labor Relations Board becomes even more significant. During the three-month period ended June 30, NLRB conducted more employee elections than in any quarter since it was established—962 collective bargaining polls in which a total of 308,674 valid ballots were cast.

C.I.O. affiliates received about 62% of all votes cast and made a showing of better than 50% in 11 industrial classifications. A.F.L. units carried more than half the elections in four industries. Significantly, the proportion of contests in which "no union" won out over A.F.L. or C.I.O. ebbed to its lowest point in NLRB history.

• **Weigh Impact of Wage Freeze**—This flood tide of union favor may be arrested by the National War Labor Board's new wage stabilization policy (BW—Jul.25'42,p80). Next quarter's NLRB statistics will be carefully analyzed to find out whether unions have been able to hold to their pace of growth in the face of government discouragement of pay increases.

Seizures Differ

NWLB spokesman explains distinction between action at General Cable Co. plant and that at S. A. Woods Machine Co.

In an effort to dispel the confusion created by the second plant seizure in as many weeks, a spokesman for the National War Labor Board has just attempted to explain the difference in punitive action taken by the armed forces in the strike at the Bayonne plant of the General Cable Co. and at the Boston works of the S. A. Woods Machine Co. (BW—Aug.22'42,p75).

• **Bayonne**—The Navy moved into Bayonne when General Cable workers went on strike to protest an NWLB decision which denied their appeal for higher wages. Navy action, according to the board spokesman, was the means of bringing to a quick end an interruption to production caused by the strikers.

When Admiral Bowen (the same officer who ran Federal Shipbuilding & Dry Dock Co. for the Navy last year) took a desk in the company's office, the action was largely symbolic. There were no limitations or infringements put on private management's prerogatives, powers, or income. When strikers returned to their jobs, the Navy left. When the

WHO'S COMPLACENT?



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• As in all America, patriotism burns bright in the Gulf South. Backing up the soldiers thronging our streets down here is another army, fighting quietly on another front—the men who work in the war plants.

Everybody in the Gulf South is “all out” for war. Night and day, Gulf South hammers and presses are striking blows that eventually will help to

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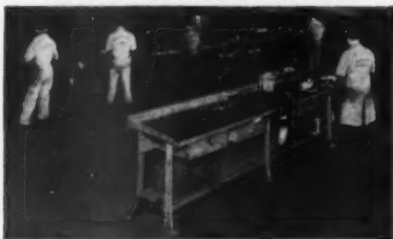
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Army took over the Boston plant, however, because management refused to accept an NWLB union security ruling, the action was—according to the NWLB spokesman—virtually equivalent to war-time confiscation. "The employer's defiance," it was held, threatened to interrupt vital war production. The action taken entailed eliminating private management from a voice in running the plant, and nonparticipation in any financial benefits which accrue during Army operation.

GREAT LAKES CONTRACT

The Great Lakes Steel Co., subsidiary of National Steel of which Ernest T. Weir is chairman, has become the first basic steel producer to negotiate voluntarily a contract with C.I.O.'s Steelworkers Union granting checkoff of dues, maintenance of membership, and a 5½-an-hour wage increase retroactive to Jan. 1.

These terms are identical with those handed the union by the National War Labor Board in its Little Steel decision (BW-Jul.25'42,p80). They were also at issue before the board in a dispute involving the steel workers and the United States Steel Corp.

Bethlehem, Republic, Youngstown Sheet & Tube, and Inland Steel have, under protest, incorporated the terms in written agreements with the C.I.O.

Union Time Study

Murray Corp. plan, which enlists worker representatives in cost control system, credited with lessening friction.

One Detroit company that has had no work stoppages in several years is Murray Corp. of America. For the last 18 months of this period, large credit for this situation is given by Lloyd T. Jones, president of Local 2, C.I.O. United Automobile Workers Union, to a time study program which was incorporated in a contract approved by company and union in February, 1941.

● **Hot from the Press**—Unionist Jones' views are set forth in the preface to a book, fresh off the press, which is unique in that it is a time study prepared by labor as well as management.

The contract of 1941 provided for election of five time stewards by the union rank and file, to be trained and paid by the company. These stewards serve for four years, a fact compensating for expense and effort of training. (Through shortening of some of the original terms, staggered elections will be possible.)

● **Representing the Union**—The stewards' function is to represent the union in time study disputes, to investigate accuracy and completeness of time study formulas, and to act when necessary as interpreters of the subject to their fellow workers.

Grievance procedure provides that any worker may complain to his shop steward when he wishes to protest a time standard. The steward takes the issue up with the superintendent. If no agreement is reached, the matter goes to the time study steward of the shop, and conferences ensue between him and the time study department. The matter may progress further to a committee composed of the time study department executives and the union time study committee, whose decision is final.

● **Fewer Disputes**—Since installation of the plan, disputes over time study have lessened noticeably, and the employees have acquired a wider knowledge of the cost control functions involved—sometimes through lectures at union meetings by the time study stewards.

Following election, the stewards underwent a six-month training course under management engineers who had been hired by Murray to install a new system of cost control throughout the plant. Following "graduation" they went into the plant, to function where circumstances warrant, mainly in the time study department.

● **Joe Workman's Story**—The book growing out of this program consists

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of two parts. The first, built around the adventures of "Joe Workman," develops the application of typical shop experiences to time study, and follows with questions commonly asked of the time study stewards, together with correct answers. The second part of the book is the official Murray Time Study Procedure Manual—a textbook describing the steps in time study operation.

Decline War Jobs

Workers in nonessential industries in Detroit are cool to USES suggestions that they shift over to arms plants.

Switching of workers from nonessential jobs into war-plant work is a fond hope of the government, but it is not being enthusiastically considered in Detroit where labor shortage problems in war plants are probably as acute as anywhere in the country. John L. Craig, director of the United States Employment Service in that No. 1 arms area, expressed pessimism last weekend over progress thus far.

The program was initiated when occupational questionnaires were sent to some 400,000 men in the 35-to-44 age bracket by draft boards last spring. Somewhat more than half of these questionnaires have now been turned over to USES to complete the national inventory to insure maximum utilization of workers' skills in essential industry.

• **Talking It Over with USES**—The questionnaires are examined to find men with special skills not being utilized in war plants. All such men are requested to come to the USES office to discuss job switches, as contributions to the war effort. Up to date, some 16,000 men have been interviewed. Many of those called in had already shifted, in the natural course of events. But only an "infinitesimal" number of the balance agreed to move into war work, said Craig. He added that the experience of Detroit appeared to be duplicating itself in other large industrial centers.

• **Why They Don't Switch**—Many men cited pay scales as the reason for not switching; they declared they could not earn enough at new jobs to balance present earnings. Frequently they complained that changes would put their work too far from their homes. Substantial numbers refused to change on the grounds that they would lose accumulated job seniority, pension standings, retirement advantages and other advantages built up in their present places of work.

Despite these obstacles, Craig said the program would continue, to build up an inventory of availabilities against a time when they might be needed.

★ AMERICA WORKING ★



Her job is stuffing sausage in a war-busy plant of Armour and Company. The smokehouse is kept operating at full speed with the help of an R & M Exhaust Fan.

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To Management Men

FINANCE

Tiff Over Specials

Refusal of Big Board to approve secondary distribution by Dillon, Read brings an incipient controversy into focus.

When the New York Stock Exchange began to experiment with special offerings last February, nonmember houses eyed the new system suspiciously. After six months of smooth operation, they had about decided that it was harmless when, in the last week or so, suspicions were aroused up again.

• **Case in Point**—Recent disagreement between Dillon, Read & Co. and governors of the exchange over a hefty block of Standard of Indiana convinces many counter men that the special is going to cause them a lot of trouble.

Dillon, Read, one of the largest of the nonmember firms, planned to move 50,000 shares of Standard of Indiana through a secondary distribution, which meant a sale after trading hours, with both member and nonmember firms participating. Following the usual custom, they asked the exchange to give its members permission to take part. In the past, governors have usually approved any distribution that was clearly above board. Members were always glad to get hold of a little extra business, and the distributing syndicate liked to have them come in to help move the offering.

• **A Surprise**—This time the exchange pulled a surprise. Instead of approving a secondary, it suggested that Dillon, Read make a special offering of the block—that is, offer it on the floor during trading hours at a fixed price, allowing an extra commission to brokers who arranged purchases. D. R. did some quick calculation and discovered that going through the exchange would mean paying a broker's commission of about 18½¢ a share, out of a spread of around 19½¢. It's answer was a stiff "No, thanks."

The exchange then refused to give its members permission to take part in a secondary distribution of the block. Dillon, Read went ahead anyhow and handled the whole deal with nonmember firms. In the end, they came out successfully, but the job was large enough to give all the underwriters a very busy afternoon.

• **As Each Side Saw It**—To nonmembers it looked like the Big Board was using its power over members to sidetrack business that would ordinarily go to the over-the-counter market. From the governors' viewpoint, however, it isn't fair

to have two sets of rules, one for members and one for nonmembers. They insist that the choice between special offering and secondary distribution should depend on the suitability of the stock and not on the affiliation of the offerer.

On their face, secondaries and specials are so much alike that it wouldn't seem to make much difference which way a particular block of stock goes. Actually, it makes a lot of difference in the size of profits:

• **History of Secondaries**—Secondary distributions first appeared prominently in 1940 when the British were desperately unloading American securities to get dollar exchange. Trading on the Big Board was so light that throwing a big block on the market would have knocked the bottom out. To avoid beating down the price and taking a ruinous loss, the British arranged for American syndicates to market their offerings in carefully planned sales after trading hours.

After watching the success of the British secondaries, many Americans decided to try the method. Trustees trying to liquidate large estates were particularly pleased at discovering a way



NOISY BUT NICE

Hoping to sound the death knell of the axis, the First National Bank of Pikesville, Ky., has installed a Victory Bell on the corner of Main Street which rings out the news every time a war bond is sold. The bell is only a part of the large-scale war bond promotion campaign the bank is undertaking.



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Little or no metal is needed—panels up to 50 sq. ft. do not even need wall ties. Existing openings can be readily prepared to receive INSULUX daylight panels.

INSULUX gives advantages important during and after the war. Glass block are fireproof—noncombustible. They provide efficient insulation that saves on fuel. They give privacy and protection against sabotage. Maintenance costs are extremely low.

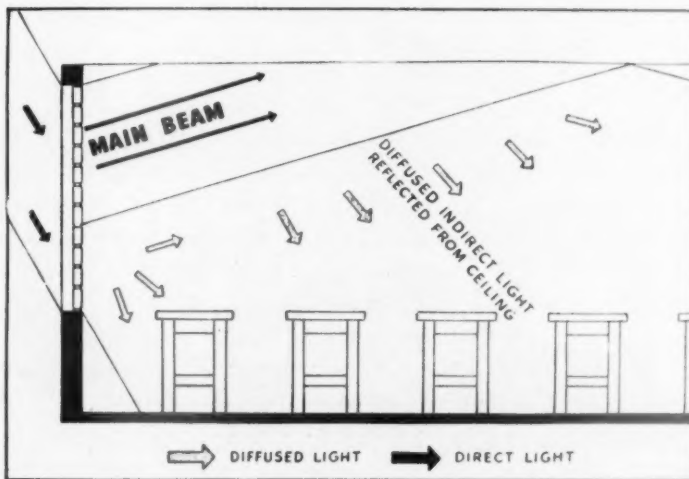
You get immediate delivery of INSULUX Glass Block at economical pre-war prices.

2. Better Daylighting *For More Work, Less Lost Time*

INSULUX light-directional block provide better daylighting for plant and office—diffused light projected deep into interiors.

Diagram at right shows how INSULUX No. 351 block refracts light rays to ceiling, which reflects light downward over work areas for even illumination. Companion block, No. 350, used below eye-level, gives diffused light without objectionable glare.

This better daylighting not only helps conserve power for war but aids in speeding production, avoiding accidents. Installations in every type of industry prove the efficiency of light-directional INSULUX Glass Block panels.



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of turning big blocks of securities into cash.

• **Special Offerings**—Anxious to coax back some of the business that was drifting into the over-the-counter market, the Stock Exchange worked out its system of special offerings (BW—Apr. 11'42, p80). Under this plan, a seller can offer a block of stock on the exchange floor at a fixed price with an extra commission for brokers who find customers for it. The Board of Governors will permit specials only after it has satisfied itself that the regular auction market will not absorb the block overhanging it in a reasonable time and at a reasonable price.

The special offering is strictly a broker's party. An exchange member must handle the offering, and only exchange members can arrange purchases. Brokers like the system because it brings new business and higher commissions. Sellers are pleased because it enlivens the market for securities they want to liquidate.

• **Performance Record**—In its first six months the special offering turned in a highly satisfactory performance and made itself no enemies either in the exchange or in the counter market. Since February, some 33 separate blocks of stock have cleared by this method. All but seven have been completed successfully.

Biggest sale to date was the offering

of 28,700 shares of General Electric at 26 with \$1 special commission. Total value of this block was \$746,200, but the offering was oversubscribed in four minutes after it opened.

• **Pleased with System**—Both the Stock Exchange and the Securities and Exchange Commission are satisfied with the system, which is what makes the over-the-counter boys nervous. They are afraid that from now on the Big Board is going to take its choice of the large blocks that come up for liquidation. If the sellers hold out for secondary instead of a special, they think the exchange will forbid its members to participate.

Neither side wants to make a fight of it, however. The exchange doesn't want to cut its members out of the secondary business. Also, the exchange doesn't want to be accused of poaching in the over-the-counter preserves. It is afraid of kickbacks in Congress or in the SEC.

• **A Thorough Study**—At present the governors are planning a thorough study of the special offering system, and before they finish they will try to calm the fears of the counter dealers.

On their part, the nonmember firms are wary of taking on big underwriting jobs without the help of members. Dillon, Read got away with it, but that doesn't mean that just anybody could do it with any stock.

Rail Aid Falters

McLaughlin bill, which would permit roads to adjust debt voluntarily, opposed by bondholders' spokesmen.

After coasting smoothly through the House, the McLaughlin bill, intended to facilitate railroad debt readjustment, has run into trouble in the Senate. In hearings before a Commerce subcommittee, hostile bondholders popped up with a set of amendments and a long list of criticisms. Railroad men are afraid that, by the time the argument ends, it will be too late to get the bill through this session.

• **To Keep Them Solvent**—The McLaughlin bill (BW—Apr. 11'42, p83) is essentially a proposal to revive the old Chandler Act, which permitted solvent railroads to adjust their debt structures without going through painful reorganization under Section 77 of the bankruptcy law. With approval of the Interstate Commerce Commission and two-thirds of the creditors, a financially sound road would be allowed to file a readjustment plan with a special three-judge court.

If the court O.K.'d its plan, the carrier would then go back to its creditors for more assents. If 75% of them agreed, the change would bind all.

• **Everyone Should Gain**—Purpose of the bill is to help basically sound carriers out of temporary financial difficulties that might otherwise lead to long and expensive reorganization proceedings. Railroad income prospects are better than they have been for the last ten years, but several companies face heavy maturities or troublesome fixed charges. The idea is that both the roads and their creditors would gain by making voluntary readjustments.

The Delaware & Hudson Co., for example, has \$48,000,000 worth of bonds maturing next May. If the McLaughlin bill goes through, D. & H. will almost certainly take advantage of it and arrange a postponement. The holder of a \$1,000 bond would probably get about \$200 cash on the maturity date, and the road would pay off the balance in instalments.

• **Protection Asked**—Bondholders have no objection to short-cutting the tedious processes of Section 77, but they protest that the bill as it stands gives no protection to dissenting minorities. Holders of the D. & H. bonds presented seven main criticisms to the Senate subcommittee. Principal point was that the bill would allow security holders no voice in writing the adjustment plan.

Objecting bondholders offered amendments which would give the courts complete jurisdiction from the beginning of

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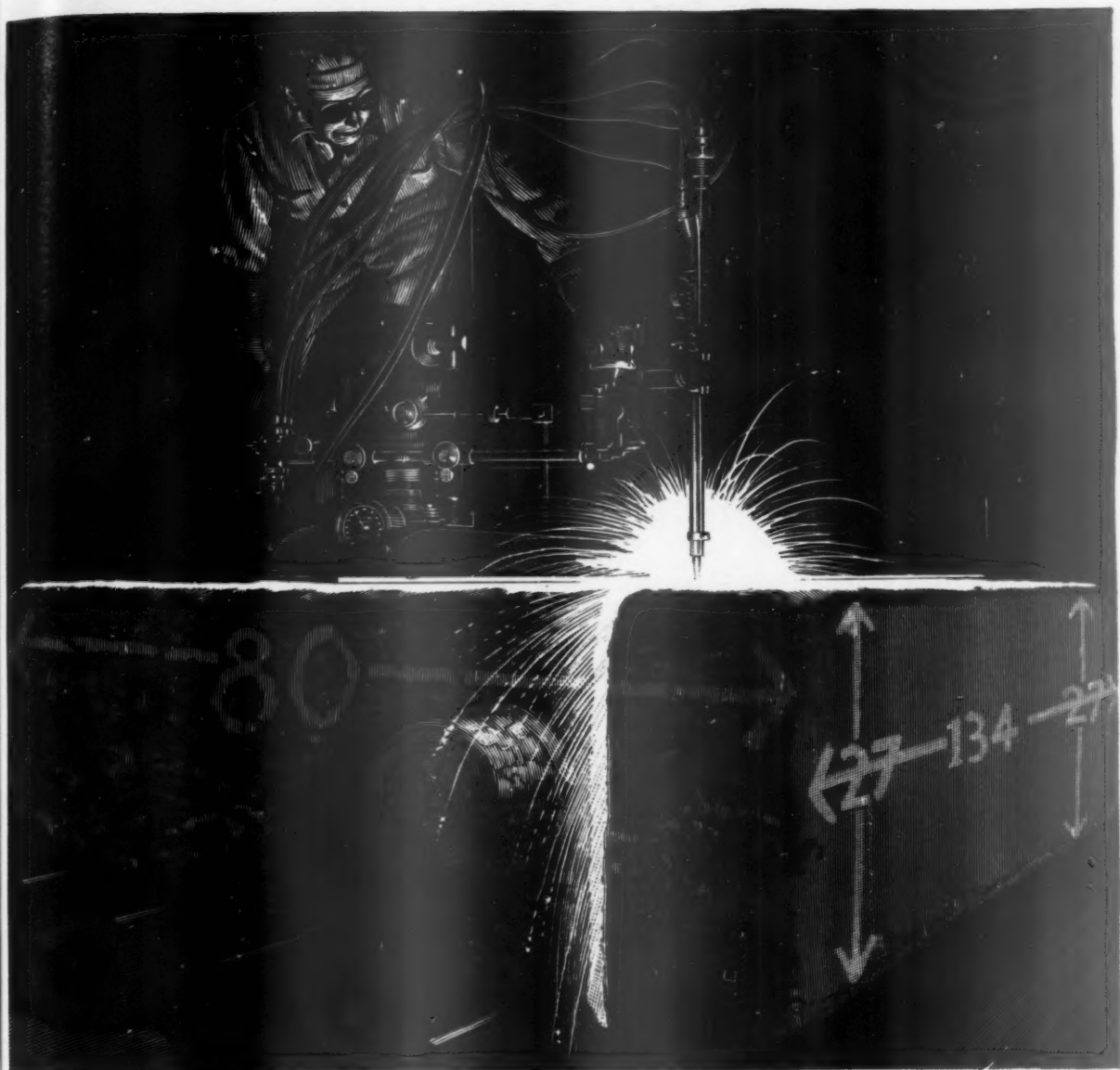


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Air Reduction's wartime policy is to help American industry do the tough job we all face. Our nationwide field engineering service and our research facilities are at your disposal to supply "know how" information on any problem involving the use of the oxyacetylene flame and the electric arc.



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THE MARKETS

With war news still uncertain and with the tax situation more muddled than ever, Wall Street kept its head down this week and waited for something definite. Even traders who think the market has discounted the worst want to see just how bad the worst is before they risk money on it.

• **Jolt from Treasury**—In the government bond market, holders of short term notes got a jolt when the Treasury announced that it would pay off two maturing issues in cash instead of offering exchange rights. For years, owners of maturing obligations have had their choice of cash or rights to a new issue. Usually they picked up 1/32 or so. This time the Treasury will pay only cash.

Short term governments eased a trifle on the news, but most traders felt that the Treasury planned no sweeping change of policy. They point out that both maturities are fairly small. Since the due dates fall about a month apart, it is probably easier to clean the issues up with cash than to arrange an exchange.

• **Despite Tax News**—State and municipal bonds rocked along placidly in spite of the Senate Finance Committee's decision to tax future issues. Outstanding bonds are safe for the time being because the new provision will have no direct effect on them.

Stockholders of Commercial Investment Trust, largest of the independent finance companies, were not surprised to hear that C.I.T. had bought up a manufacturing company. With automobile paper running off rapidly, C.I.T. is looking around actively for something to do with the funds it used to put into installment loans (BW—May 9 '42, p. 80).

• **Into the Electric Field**—In its last report the company announced that it was going to buy into firms with war con-

tracts. This week it took over the Holtzer-Cabot Electric Co. of Boston, which makes telephone equipment and small motors.

Commercial Credit, the other big independent finance company, is also spreading out into other fields. Last week it announced that it had bought up 95% of the stock in the Pennsylvania Casualty Co. Just a month ago Commercial Credit took over the Kaydon Engineering Corp., a Michigan firm with a big backlog of war orders.

• **A Paradox**—Incidentally, the price of Commercial Credit's stock presents a nice paradox for theorists. The common, now selling around 22, has a book value per share of over \$30. Ordinarily that wouldn't mean much, but in this case book value amounts to immediate liquidation value. Except for the new companies which Commercial Credit just took over, all its assets are first class short term paper.

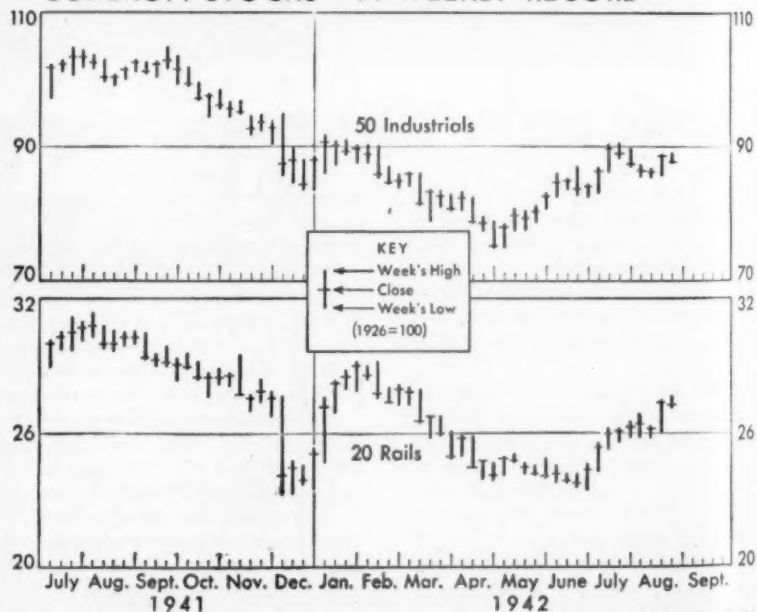
Answer to this paradox is that Commercial Credit doesn't intend to liquidate. Therefore, the market prices its shares on the basis of expected earnings rather than liquidation value.

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial . . .	87.8	88.7	87.5	101.5
Railroad . . .	27.2	27.3	26.3	30.3
Utility . . .	30.3	30.1	30.5	45.0
Bonds				
Industrial . . .	108.8	108.7	108.5	105.0
Railroad . . .	85.5	85.9	84.5	86.2
Utility . . .	104.4	104.0	104.4	107.5
U. S. Govt. . .	110.5	110.5	110.7	111.5

Data: Standard & Poor's Corp. except for government bonds which are from the Federal Reserve Bank of New York.

COMMON STOCKS — A WEEKLY RECORD



Date: Standard & Poor's Corp.

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readjustment. They also suggested independent investigation of the management of roads that took advantage of the new law.

• **Railroads' Attitude**—Some railroad men think the proposed amendments could go into the bill without difficulty, but many believe they would make the new system almost as cumbersome as Section 77 proceedings. Ordinarily supporters of the bill wouldn't worry over a little opposition. Just now, however, time is working against them.

Unless it gets Senate approval before this session ends, the McLaughlin bill will die on base. That would mean starting over again with the new Congress and working back through House and Senate. On that basis there wouldn't be much chance of getting action before this time next year.

SHOE IS ON OTHER FOOT

Wall Street gave one of its rare chuckles last week when the Securities and Exchange Commission took a swig of its own medicine and reorganized itself. Main reason for the shuffle was the recent \$500,000 cut in SEC's appropriation, a stimulus that hard pressed security dealers found easy to understand.

As a result of the shift, SEC has abolished about 90 positions and closed out three of its six divisions, spreading their work over the ones that remain. Result is a saving of about \$300,000 a year, which still leaves a deficit that Wall Street is counting on for further amusement.

COMMODITIES

Silver Prices?

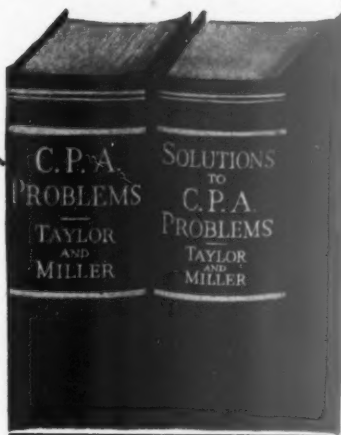
That is question raised by negotiations looking toward 45¢ price for white metal from good neighbor nations.

Silver is in the spotlight not only as a reliever-of-shortages in these days of metal scarcity but as a cementer-of-relations with our good neighbors as well. That's the way the metal trade views this country's negotiations with Mexico and other hemisphere producers for a 45¢ price on the white metal.

• **Domestic vs. "World"**—Leading the world in silver output are Mexico, United States, Canada, and Peru, usually in the order named. Domestic silver isn't available in regular commercial channels because the Treasury buys it at 76.11¢ a fine ounce for the monetary board; it can't compete with "world" silver long pegged at 35¢ an ounce—also by U. S. Treasury's underlying bids

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HAVING WONDERFUL TIME

L. W. Music, the school principal of Decoto, Calif., is only one of hundreds of residents of the Bay District who has elected to spend his summer vacation doing something to relieve the acute labor shortage that is being felt by both industry and agriculture. Wrestling grain bags in a local warehouse is Music's method of relaxation instead of going to the beach. And the state's peach growers right now would like to have thousands more volunteers to pick the ripening crop.

—and now ceilinged at 35½¢ by OPA edict.

That means the 60,000,000 to 70,000,000 oz. of silver produced annually in this country doesn't come in the open market. Hence industry and the arts rely very heavily on the average production of 110,000,000 oz. or so of silver produced by Mexico, Canada, Peru. In normal years, that's plenty; today we can use all we can get, what with extraordinary demand as a replacement for copper in many uses such as electrical conductors.

● That's Why—There, in a nutshell, are the basic facts that make it interesting to the United States to offer friendly nations a bonus for additional silver production. Yet the injection of a possible 45¢ market had the silver trade groggy this week. Was there to be a three-price system, 35½¢ for scattered production, 45¢ for favored neighbors, and 71.11¢ for the home boys? Or would OPA come up to the 45¢ mark with a premium of, say, ½¢ additional?

It was noted in the metal trade that the government would not be altogether without precedent if it were to buy foreign silver above the ceilinged domestic market. In tin, for example, we have been paying 60¢ a lb. (tin content of the ore, dockside at South American ports) to Bolivia.

THE TRADING POST

On Red Tape

A regional manager for a machinery manufacturer writes as follows:

We, who are doing a 100% war job, find that some of the larger corporations who buy our wares have much useless red tape that they make us unwind. If that should be cut out, less time will be wasted.

One company demands that all paid freight bills be stamped "Paid" and signed by the carrier. I wonder if they realize that we pay our bills to the carriers weekly, and that the truck driver who comes to our door cannot set a rate, sees no money, and certainly cannot sign "Paid" to a bill of lading. In this case we have to phone the carrier, ask them to make up such a bill, which they do when we pay them. Then we must hold up the billing until we have the stamped bill of lading, while we get telegrams asking for the bill. It is tommyrot.

Another company mails you an order, say from Oklahoma to Atlanta, two nights on the road. Before the order is in your hands, the "expediter" has wired you twice, and if you don't reply by a prepaid wire, he is on the phone. That's baloney.

Really I think if someone could get after some of the 61 basic war trades, he could do a great deal to help bust one bottleneck, by simply cutting the red tape.

More Red Tape

The following letter explains itself:

I happen to be with a house of some size and in our purchasing department, I was shown a raft of blanks on which to report the typewriters in use. The number of blanks exceeded a hundred and the greater part of them will be returned to the government without a mark on them.

Story number two. A representative of a shipping firm handling some lease-lend goods going to Russia told me that 160 copies of the bills of lading and a like number of manifests had to be made up for each consignment. Think of it, 320 documents per consignment. I failed to develop the extent of the consignments, but happen to know that a duplicating machine was bought to handle the job and, after several midnight sessions, working around the clock became necessary.

I am now reading Sumner's essays, of which you may have some knowledge, and, while they were written many years ago, I am forcibly impressed with their applicability to present day conditions as regards control by the state. With a war in progress control by the state is unavoidable and necessary, but this does not excuse red tape running riot.

What Price World Leadership?

The following letter refers to a recent comment on this page that if we Americans are to do the job of international reorganization some of our leaders are laying out for us, we should first show a capacity to think in terms of national

welfare instead of regional, class and bloc interest (BW—Jul. 4 '42, p83).

Your Trading Post comment is not only very timely but has an importance that has not been clearly recognized. We have been talking glibly about the part we should play in post-war peace without realizing our unfitness or lack of training for the job.

To win the peace after we have won the war we must, as you point out, bring about a "leveling up of opportunities and privileges among men". (The "up" in this quotation should have emphasis.) There are vast differences in both opportunities and privileges throughout the world and we in the United States have consistently boasted far and wide of our outstanding superiority with respect to them. The question immediately arises as to how far we are prepared to go in this "leveling" program.

This question might be more specifically directed to some of the "organized groups" to which you have referred. For example, we have a farm group which, through its leaders, has insisted that its products should command a purchasing power at least 15% higher than that in its best years prior to World War I although the rest of us are expected to get along with far less than our "parity", whatever that may be. Is this group willing to forego this advantage and more in the post-war adjustment period?

Then there is the labor group that continues to demand higher wages and curtailed hours although the purchasing power of present wages is substantially higher than in earlier years. Is this group willing to begin the sacrifice necessary to the ultimate leveling program? We also have a silver group which has successfully demanded that its product be sold at a price far above the world price of silver, all for no other visible reason than greed.

And we have a tariff intended to maintain our producers and their employees at a level above that of the rest of the world. How far will we develop a willingness in the post-war period to relax or abandon these barriers against our then closer allies?

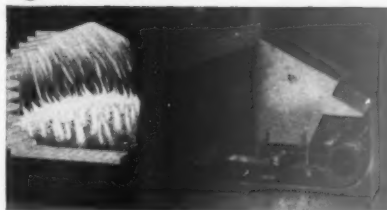
It may also be permissible to point out that the behavior of some members of our Congress with respect to vital national and international issues in these months preceding national elections does not encourage belief in their unalloyed patriotism.

In the light of such illustrations, one may question our right to tell the world that we are prepared wholeheartedly to participate in the visualized program of economic and social reconstruction of the then United Nations. It may be said that history discloses that we are better fitted, in spite of our shortcomings, than any other nation, but these other nations may not agree that our recent behavior under war conditions justifies our assurance of superiority or indicates our successful leadership in this stupendous crusade.

We should at least be cautious in undertaking such leadership unless or until we have more assurance that greed and self-interest can be replaced in suitable measure by patriotism and self-sacrifice. To undertake the job without that would invite disastrous loss of international reputation. W.C.

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THE TREND

FOR A HEADACHE—MODERATION

For some time, Business Week's Washington Bureau has been faithfully reporting on a headache. It's a headache suffered by the nation at large, but it throbs with special pain in the Capital area, and it has frequently seemed to be highly localized around the War Production Board.

The reports have noted all the diagnoses—civilian, military, competent, and crank—which have laid any of the trouble to congestion or sluggishness in Mr. Nelson's office. They have appraised such diagnoses from the Washington angle. They have adduced their own evidence that the WPB chief will have to deal with some of the immediate causes of the malady. This week (page 14) they take up questions answered and left unanswered by Mr. Nelson's press statement on the case.

• Those immediate causes of this headache that are within the scope of the chairman's resolute desire to effect a cure obviously demand his continued attention. Some others that lie close to the surface call for resolute action in the White House operating room. Others are being held up by consultations of congressional doctors or of the men in white over at the War and Navy Departments. But something that Mr. Nelson said at his press conference this week suggests that it's about time that the country went further with its examination—and perhaps called in a psychoanalyst.

As the Washington report runs, "One of the most important things that Nelson had to show was that his present difficulties arose from the decision, made months ago, to start production fast in all directions, drive for quick results, and let systematic scheduling wait. He would make the same decision again, he added, and insisted that we were farther ahead than if we had 'sat down and deliberated.' But now we must schedule."

Whatever might be the reasons for the immediate difficulties heaped on the War Production Board, that would still stand as a shrewd identification of the kind of trouble that is most afflicting us on the morning after our first staggering collision with total war.

• We had to start fast and American management made it so magnificently fast a start that we let our optimism blind us to the fact that we must eventually reach this stage when what we had started had to be coordinated, when the drafts on supplies so munificently handed out by the Army and Navy would run into overdrafts, when wisdom after the event would show up the inevitable bad in our planning, along with the good.

Vice-Chairman Knowlson, joining Mr. Nelson at his press conference, told us what o'clock it is when he said that it was now "time to turn from emergency measures and settle down to the business of war." That statement may be an admonition and, as such, it is reinforced by the report of Mr. Nelson "pounding his fist on his palm

and talking of getting tough," but it is also a reminder of where we stand and what we have come through.

• Such a reminder should relieve the national headache. If our nerves are jangled by rumors of Army pressure-groups contending with civilian pressure-groups, it should occur to us that it is still early to look for a balanced stabilization of the war program or a smooth adjustment of war powers. And when we suffer from waves of pessimism, we could well wonder if it isn't too soon for that—as it was too late for last spring's seizure of optimism. And if things seem to be going wrong after we had thought them going so well, we might ask ourselves just what we expected of this summer of 1942, anyhow.

To any man who understood how far the enemy had already gone and how far we ourselves had to go, it was clear last spring that, by August, the Germans would be at least where they are now, and it seemed probable that the Japanese would be a lot farther. By all indications, most of them clearly stated in Business Week's Mar. 14 Report to Executives entitled, "1942—The Year to Win or Lose," this was to be the black summer of the war, the crisis from which the United Nations would come out well if they came out still fighting.

It was also highly probable that industry's amazing response to the demand for a fast start on war production would get ahead of procurement planning and create bottlenecks at the part and subassembly levels, and that the sitting down and deliberating that Mr. Nelson had no time for at the start would eventually have to be done.

• Mr. Nelson has given the country a straight answer to the question, "Eventually, why not at the start?" He concurs in the definition of "now" as "the time to turn from emergency measures and settle down to the business of war," and he promises action in response to the question, "Eventually, why not now?" He and all those associated with him deserve to have their capacity for "the business of war" judged on what they do now as they close the chapter on what they had to do and how they had to experiment in a period of emergency while the fast start was piling up trouble.

They and all those in positions of war command in this country, as at the fronts, also deserve some release from the strain of being tossed on popular swings between optimism and pessimism of the kind that have carried us from last spring's visions of the Germans locked up in Russia to this month's fears of Russian doom; from earlier dreams of American production piling up on a Berlin front to later worries that it was prostrate under a paralytic Washington fever. Don Nelson's men have a job to do on the national headache and must show that they can do it. But the rest of us will do well to look after our nerves.

The Editors of Business Week

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